By Mr. FULLER:
H. R. 5596. A bill for the relief of Hutchinson's Boat Works, Inc.; to the Committee on Claims.

By Mr. LEONARD W. HALL:
H. R. 5597. A bill for the relief of the First National Bank, of Merrick, N. Y.; to the Committee on Claims.
H. R. 5598. A bill for the relief of Bruns Kimball & Co.; to the Committee on Claims.

By Mr. KING:
H. R. 5599. A bill for the relief of the San Pedro Boat Works; to the Committee on Claims.

By Mr. PHILLIPS:
H. R. 5600. A bill for the relief of the Channel Boat Co.; to the Committee on Claims.

By Mrs. SMITH of Maine:
H. R. 5601. A bill for the relief of Reed Bros.; to the Committee on Claims.
H. R. 5602. A bill for the relief of S. B. Norton & Son; to the Committee on Claims.

SENATE

FRIDAY, DECEMBER 8, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, whom we seek in vain without unless we first find Thee within, may the hush of Thy presence fall now upon our driven lives. In a time for greatness save us from inner cowardice which makes us unwilling to pay the price of better things. We confess that too often we have desired Thy coming, but not through us; we have sought for a new order that would leave our own lives still unchanged.

By the light of a guiding star, by the song of a heavenly host, by the lure of a lowly manger, by the smile of a little child, reveal to us the false pride that inflates our petty knowledge and grant us the humility that stoops to learn Thy ways. Give us a part in bringing in a world delivered from disorder and aggression a civilization saved from collapse and catastrophe, a humanity redeemed from another and more dreadful dark age:

" 'Til rise at last to span
Its firm foundations broad,
The commonwealth of man,
The city of our God."

Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., December 8, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. KENNETH MCKELLAR, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. McKELLAR thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, December 7, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 933. A bill for the relief of Conrad H. Clark; and
H. R. 3929. A bill for the relief of Katherine Scherer.

The message also announced that the House had passed a bill (H. R. 5590) to increase clerk hire, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 933. An act for the relief of Conrad H. Clark and Rocco Cellette; and
H. R. 3929. An act for the relief of Katherine Scherer.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Bilbo	Hall	Revercomb
Brewster	Hatch	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Smith
Butler	Johnson, Calif.	Stewart
Byrd	Johnson, Colo.	Taft
Capper	Kilgore	Thomas, Okla.
Caraway	La Follette	Tunnell
Chandler	Langer	Vandenberg
Clark, Idaho	Lucas	Wagner
Clark, Mo.	McClellan	Walsh
Connally	McFarland	Weeks
Cordon	McKellar	Wheeler
Danaher	Maloney	Wherry
Davis	Maybank	White
Downey	Mead	Wiley
Ellender	Millikin	Willis
Ferguson	Murray	Wilson
George	Nye	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The ACTING PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

CREDENTIALS

Mr. AUSTIN. Mr. President, I have the honor to send to the desk the certificate of election of my distinguished colleague [Mr. AIKEN] as a Senator from the State of Vermont for a term of 6 years, beginning the 3d day of January 1945. It has been signed by His Excellency the Governor of Vermont, William H. Wills, and countersigned by the secretary of state, Rawson C. Myrick.

The ACTING PRESIDENT pro tempore. The credentials will be read.

The credentials were read and ordered to be filed, as follows:

STATE OF VERMONT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 GEORGE D. AIKEN was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor William H. Wills and our seal hereto affixed at Montpelier this 5th day of December in the year of our Lord 1944.

WM. H. WILLS,
Governor.

By the Governor:
[SEAL] RAWSON C. MYRICK,
Secretary of State.

Mr. MAYBANK. Mr. President, I present the credentials of the distinguished Governor of South Carolina, Hon. OLIN D. JOHNSTON, who has been recently elected for a full 6-year term in the United States Senate commencing in January.

Mr. HALL. Mr. President, the Governor of South Carolina is a native of my home county of Anderson, and I am very happy indeed to join with the distinguished senior Senator from South Carolina in connection with the presentation of his credentials.

The ACTING PRESIDENT pro tempore. The credentials will be read.

The credentials were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, OLIN D. JOHNSTON was duly chosen by the qualified electors of the State of South Carolina, a Senator from said State to represent the said State in the Senate of the United States for a term of six (6) years, beginning on the 3d day of January 1945.

At an official meeting of the State board of canvassers on December 2, 1944, in the office of the secretary of state, OLIN D. JOHNSTON was officially declared elected to the United States Senate.

Witness: His Excellency our Governor, and our secretary of state, and our seal hereto affixed at Columbia, S. C., this, the 2d day of December 1944.

OLIN D. JOHNSTON,
Governor.

By the Governor:
[SEAL] W. P. BLACKWELL,
Secretary of State.

Mr. CAPPER. Mr. President, I present the certificate of the Governor of Kansas certifying to the reelection of Senator CLYDE M. REED at the election held on November 7, last, and ask that it be read.

The ACTING PRESIDENT pro tempore. The credentials will be read.

The credentials were read and ordered to be filed, as follows:

STATE OF KANSAS,
Executive Department.

CERTIFICATE OF ELECTION

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, CLYDE M. REED was duly chosen by the qualified electors of the State of Kansas as Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Andrew F. Schoeppel, and our seal hereto affixed at Topeka, Kans., this 5th day of December, in the year of our Lord 1944.

ANDREW F. SCHOEPPEL,
Governor.

By the Governor:
[SEAL] FRANK J. RYAN,
Secretary of State.

FILIPINO REHABILITATION COMMISSION

The ACTING PRESIDENT pro tempore. The Chair has received the resignation of the Senator from Missouri [Mr. CLARK] as a member of the Filipino Rehabilitation Commission, and, under the provisions of Public Law 381, appoints the Senator from Arizona [Mr. HAYDEN] to fill the vacancy.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

FILM SERVICING BUILDING AND VAULTS

A letter from the Administrator of the Federal Works Agency, transmitting a draft of proposed legislation to authorize construction of a film servicing building and vaults (with an accompanying paper); to the Committee on Public Buildings and Grounds.

MERITORIOUS SALARY INCREASES IN GOVERNMENTAL SERVICE

A letter from the President of the United States Civil Service Commission, transmitting, pursuant to law, a consolidated report and supporting data covering especially meritorious salary increases made by the several Government departments and agencies for the fiscal year ended June 30, 1944 (with accompanying papers); to the Committee on Civil Service.

PERSONNEL REQUIREMENTS

Letters from the Chairman of the United States Tariff Commission and the Director, Division of Administrative Management, National War Labor Board, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of War (6), Navy (2), and Agriculture; War Manpower Commission, and Office of Censorship which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

ST. LAWRENCE SEAWAY—STATEMENT BY A. S. GOSS

Mr. CAPPER. Mr. President, I present a statement from A. S. Goss, master of the National Grange, setting forth the views of that organization in favor of the St. Lawrence waterway program and ask that it be printed in the RECORD and appropriately referred.

There being no objection, the statement was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., December 7, 1944.

To Members of the Senate:

We have had inquiry as to the position of the National Grange on the St. Lawrence waterway. For your information, the National Grange has approved the development of the St. Lawrence waterway and the development of power connected with it along the general lines of the contract between the United States Government and the Canadian Government, entered into in 1941. With the outbreak of hostilities, the Grange modified its position with reference to the time of development, advocating that development should be undertaken at a time which would fit in best with war needs. The Grange feels that the project should be approved in order that plans might be perfected and work undertaken at a time when, in the judgment of the Congress, it would best meet the needs of war or unemployment conditions as they may develop after the war.

We feel the project should have congressional approval. Had it been completed before hostilities opened, its contribution toward our war effort would have paid a larger part, if not the full cost, of construction. We feel action should be taken without delay to pave the way for the development of this project whenever conditions make it practical.

Sincerely yours,

A. S. GOSS,
Master, the National Grange.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

H. R. 1023. A bill to establish a Chief of Chaplains of the United States Navy; with an amendment (Rept. No. 1370).

By Mr. ROBERTSON, from the Committee on Public Lands and Surveys:

H. R. 4665. A bill authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming; without amendment (Rept. No. 1371).

By Mr. ELLENDER (for Mr. TYDINGS), from the Committee on Territories and Insular Affairs:

H. R. 4502. A bill to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended; without amendment (Rept. No. 1372).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 7, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge;

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians;

S. 556. An act for the relief of Pedro Jose Arrecoechea;

S. 616. An act for the relief of Mrs. Mary Vullo;

S. 1002. An act to compensate Roy W. Olsen for the loss of an eye on account of negligence of Works Progress Administration employees September 25, 1938, at Cranston, R. I.;

S. 1274. An act for the relief of Vodie Jackson;

S. 1462. An act for the relief of Solomon and Marie Theriault;

S. 1557. An act for the relief of Joel A. Hart;

S. 1732. An act for the relief of Arthur M. Sellers;

S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini;

S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.;

S. 1853. An act for the relief of Dr. Frank K. Boland, Sr.;

S. 1869. An act for the relief of Mrs. Mamie Dutch Vaughn;

S. 1897. An act for the relief of Mrs. Sophia Tannenbaum;

S. 1899. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files;

S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault;

S. 1942. An act for the relief of Dr. E. S. Axtell;

S. 1958. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;

S. 1960. An act for the relief of Clifford E. Long and Laura C. Long;

S. 1968. An act for the relief of Elizabeth A. Becker;

S. 1987. An act for the relief of Gordon Lewis Coppage;

S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen;

S. 1997. An act for the relief of Jack Stowers, B. & O. Store, and Cotton County Poultry & Egg Co.;

S. 2006. An act for the relief of J. A. Davis;

S. 2008. An act for the relief of Herman Philyaw;

S. 2042. An act for the relief of the legal guardian of Nancy Frassrand, a minor;

S. 2064. An act for the relief of Richard H. Beall;

S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes; and

S. J. Res. 156. Joint resolution to extend the statute of limitation in certain cases.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by

unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2213. A bill to provide for rural telephones and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. DAVIS:

S. 2214. A bill for the relief of Randall A. Kavanaugh; to the Committee on Claims.

S. J. Res. 163. Joint resolution to recognize the services of persons engaged in administration of the Selective Service System; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 5590) to increase clerk hire, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT OF TRANSPORTATION ACT OF 1940—AMENDMENT

Mr. BANKHEAD submitted an amendment intended to be proposed by him to the bill (H. R. 4184) to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic, which was ordered to lie on the table and to be printed.

CONTINUATION OF AUTHORITY TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

Mr. MURRAY submitted the following resolution (S. Res. 349), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the authority conferred by Senate Resolution 298, Seventy-sixth Congress, third session, as agreed to October 8, 1940 (providing for study and survey of the problems of American small business enterprise), and continued by Senate Resolution 66, Seventy-eighth Congress, first session, as agreed to January 25, 1943, is hereby further continued in full force and effect during the Seventy-ninth Congress.

HEARINGS BEFORE COMMITTEE ON PUBLIC LANDS AND SURVEYS DURING SEVENTY-NINTH CONGRESS

Mr. HATCH submitted the following resolution (S. Res. 350), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Lands and Surveys, or any subcommittee thereof, hereby is authorized, during the Seventy-ninth Congress, to send for persons, books, and papers; to administer oaths; and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject referred to said committee, the total expenses pursuant to this resolution (which shall not exceed $5,000) to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

RESTORATION OF PUBLIC LANDS TO UINTAH AND OURAY RESERVATION, UTAH—CONFERENCE REPORT

Mr. HATCH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, and 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 6, and 7, and agree to the same.

CARL A. HATCH,
CHAN GURNEY,
Managers on the part of the Senate.

J. W. ROBINSON,
COMPTON I. WHITE,
HUGH PETERSON,
K. M. LECOMPTE,
Managers on the part of the House.

The report was agreed to.

NAVAL DIFFICULTIES AND SUCCESSES IN THE PACIFIC—ADDRESS BY BRIG. GEN. G. C. THOMAS

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address dealing with Naval Difficulties and Successes in the Pacific, delivered by Brig. Gen. G. C. Thomas, United States Marine Corps, in Los Angeles, on Navy Day, October 27, 1944, which appears in the Appendix.]

ANNUAL MESSAGE BY THEODORE W. NOYES TO THE ASSOCIATION OF OLDEST INHABITANTS OF THE DISTRICT OF COLUMBIA

[Mr. CAPPER asked and obtained leave to have printed in the RECORD the annual message of Theodore W. Noyes to the Association of Oldest Inhabitants of the District of Columbia on December 7, 1944, which appears in the Appendix.]

PEARL HARBOR

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial entitled "Three Years Ago Today," from the Washington Times-Herald of December 7, 1944, and an editorial entitled "Lest We Forget," from the Washington Post of December 7, 1944, both relating to the Pearl Harbor attack, which appear in the Appendix.]

ANGLO-AMERICAN COOPERATION IN LIBERATED COUNTRIES

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial entitled "Churchill Blunder," dealing with recent British action in Greece as well as Anglo-American cooperation in liberated countries, published in the Washington (D. C.) News, of December 8, 1944, which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

DEFICIENCY JUDGMENTS AND THE FEDERAL LAND BANK

Mr. LANGER. Mr. President, I desire to bring to the attention of the Senate a bill I have introduced, Senate bill 2086, entitled "A bill to amend the Federal Farm Loan Act as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States, the laws of which prevent the rendering of deficiency judgments." The bill is so short that I wish to read it:

Be it enacted, etc. That section 14 of the Federal Farm Loan Act, as amended, is hereby amended by adding at the end of such section a new paragraph as follows:

"Seventh. To refuse to make mortgage loans under this act in any State for the reason that the laws of such State prohibit the rendering of deficiency judgments in foreclosure proceedings of mortgages or other liens or contracts."

Mr. President, this morning I received a letter from the distinguished senior Senator from New York [Mr. WAGNER] dated December 7. He writes in his capacity as chairman of the Committee on Banking and Currency, to which the bill was referred. His letter is as follows:

DEAR SENATOR LANGER: For your information I am enclosing a copy of a report by the Department of Agriculture on your bill S. 2086.

I wish to give some of the history which lies behind the bill, and the reasons why it was introduced by me. I think Senators are all familiar with the fact that a few years ago we had a great drought in North Dakota, not only in North Dakota, but all over what is known as the Dust Bowl, in some 10 or 11 States. The result was that the farmers of that area, not having any crops, were unable to pay much of their indebtedness.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHITE. Will the Senator identify the bill or resolution to which his remarks are addressed? I did not hear what it was.

Mr. LANGER. I will give the Senator a copy of the bill. It is S. 2086.

Mr. President, that drought started back in the 1930's, 1930, 1931, 1932, and it continued until 1937, 1938 and 1939. As a matter of fact the railroads did not pay their taxes for 1931, 1932, 1933, and 1934, but, on the contrary, as Senators will recollect, they went into court and said, "We cannot pay these taxes. We feel they are unjust. We have not been hauling any crops to market, and our revenues have decreased until they are only about 10 percent of what they were in normal times."

The attorney general of North Dakota fought the action of the railroads, who were seeking to reduce the amount of their taxes, and I am sure all Senators present today who were in the Senate at that time will remember that the Supreme Court of the United States, without one scintilla of evidence, in an opinion written by Mr. Justice Butler, simply arbitrarily reduced the amount of the taxes of the railroads $10,000,000, and the Court said, "We are doing that because everyone knows there has been a great drought in the Northwest."

Mr. President, at that time it chanced that I was Governor of the State, and I said to the people of North Dakota, to the farmers who were owing debts and who were owing taxes, "If the Supreme Court can arbitrarily, without any evidence, reduce the taxes of the railroads $10,000,000, then certainly the farmer, who is taxed upon his farm upon the same basis that he has paid year after year, likewise should have his taxes reduced"; and it was in connection with this matter of taxation that, as Governor of the State, I ran head-on into the Federal land bank head.

The Federal land bank had made loans on real estate all over the State of North

Dakota. They had made them on land at about the same ratio that the insurance companies and private banks had made them. When a farmer could not pay in those days, Mr. President, he could go over to the private bank, to the insurance company, and deal with them. He could say, "I cannot pay this indebtedness in full, but I am willing to pay what I can." In other words, he could compromise his debt. But the Federal land bank took the position that under the law it was unable to compromise, that it was unable to throw off a single dollar of indebtedness.

The result was that there was a refusal to make any reduction in the loans made by the Federal land bank and also in the Commissioner's loans. Further, the Federal land bank refused to make any more loans in North Dakota. The same applied with respect to Commissioner's loans. As a matter of fact, even before I became Governor, under the governorship of my predecessor, Mr. George F. Shafer, the Federal land bank refused to lend a single dollar in North Dakota because of the decision of the supreme court of our State, which said if any farmer who took out hail insurance did not pay his premium that the State had the first lien for that premium, which would be a first lien upon the land and would be superior to the mortgage held by the Federal land bank. So, using that as an excuse, the Federal land bank refused to make any loans in the latter part of 1932.

Mr. President, this was not the first time I had had trouble with the Federal land bank. When I was attorney general of my State, back in 1918, the Legislature of North Dakota passed a law which provided that the counties might furnish seed to the farmers who were broke. The law provided that, if such seed was furnished, the county would have a first lien on the land for that seed. Using that law as a pretext, the Federal land bank in 1918—it may have been the latter part of 1917—arbitrarily refused to loan any money to the farmers of North Dakota.

Mr. WHERRY. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LANGER. I yield.

Mr. WHERRY. I do not want to distract the Senator.

Mr. LANGER. No, Mr. President; I am glad to have the able Senator interrupt me.

Mr. WHERRY. I should like to ask the distinguished Senator from North Dakota if the prohibition contained in the Senator's bill with respect to Federal farm loans extends also to the farm mortgage loan associations which I understand were set up for the very purpose of giving relief loans to farmers, as the Senator from North Dakota has so ably described?

Mr. LANGER. Does the Senator from Nebraska mean the so-called Commissioner's loans?

Mr. WHERRY. Yes. Does that extend also to them?

Mr. LANGER. Yes. They have not made any loans in my State for a great many years, and my bill would prohibit them from refusing to make mortgage loans in spite of the fact that we have in our State an antideficiency judgment law.

Mr. WHERRY. I understand that, but the prohibition in the Federal Farm Loan Act not only extends to the Federal land banks but also extends to the Federal farm-mortgage commission loans which were made as relief loans, and second mortgages by the Federal land banks.

Mr. LANGER. The Senator does not use the right word.

Mr. WHERRY. What is the right word?

Mr. LANGER. The word "prohibit" is not the right word. The Senator from Nebraska has not seen my bill before.

Mr. WHERRY. No.

Mr. LANGER. It provides that in spite of the fact that a State may have a law which would prevent the rendering of deficiency judgments, that shall be no excuse for the Federal land bank not to make loans or from the making of Commissioner's loans.

Mr. WHERRY. I thank the Senator. I understand the language of the measure so far as it provides for the making of loans by Federal land banks. But my understanding is, that at least in our State, when a farmer was in a situation such as the Senator has just so minutely described, and had secured a first-mortgage loan from the Federal land bank, and the amount the farmer then borrowed to relieve him of his financial burden was not sufficient under the first mortgage, he then made an application for a second-mortgage loan to the Federal Farm Mortgage Loan Association—we call it a Farm Commissioner loan. The Federal Farm Commissioner was supposed to make loans which were not acceptable to the Federal land bank, not only in the first instance, but in other circumstances where the first loan was insufficient, or the loan was unacceptable to the Federal land bank. Very often a farmer would get a loan from the Federal Farm Mortgage Commissioner when he could not obtain a Federal land bank loan. What I should like to know is this: Under the Federal Farm Loan Act, about which the Senator is speaking, would this bill bring relief not only in connection with Federal land bank loans, but also in connection with farm-mortgage loans? Is relief also needed in that connection?

Mr. LANGER. Yes.

Mr. WHERRY. That is to say a farmer cannot now borrow from the Federal Farm Mortgage Commissioner because of the Antideficiency Judgment Act in North Dakota.

Mr. LANGER. We do not use the word "prohibit." It is not prohibitive. The Federal land bank will not make either the first-mortgage loan or the Commissioner loan.

Mr. WHERRY. That is the point I make. So the farmers of North Dakota have been restrained—I do not like the word "prohibit"—not only from making loans from the Federal land bank, but also, as a practical matter, from making loans from the Federal Farm Mortgage Commissioner.

Mr. LANGER. Yes.

Mr. WHERRY. Because of the antideficiency judgment law that is on the statute books?

Mr. LANGER. In other words, the Federal land bank has simply refused to make the loans.

Mr. WHERRY. Does the Federal land bank operate the Federal Farm Mortgage Commissioner set-up also?

Mr. LANGER. Yes.

Mr. WHERRY. So it makes both classes of loans?

Mr. LANGER. It makes both classes of loans. As the Senator stated a moment ago, the titles are different, but it is the same organization.

Mr. President, our legislature enacted an antideficiency judgment act, and the insurance companies, the private banks, and the Federal land bank were all placed on a par. The same laws applied to all of them, and to anyone who made a loan to a farmer. After the drought was over—in fact, even before it was over—insurance companies again began to make loans in North Dakota. Today I do not know of a single reputable life insurance company which did business in North Dakota before the drought which is not making loans in North Dakota today.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. On what terms are they making such loans? Are the terms as liberal as they were before the drought, and before the era of foreclosures, or are they making them on a very conservative basis now?

Mr. LANGER. The loans are being made on a conservative basis, but with about the same security, the same interest rate, and the same land valuation as prevailed before the drought.

Mr. AIKEN. As I understand, when the able Senator from North Dakota was elected governor there was a legal rate of interest of 12 percent.

Mr. LANGER. No. It had been 12 percent. It was reduced to 10 percent, then to 9 percent, and then 8 percent. Today the legal rate in North Dakota is 4 percent.

Mr. AIKEN. If I correctly recall, the Senator from North Dakota had something to do with bringing about that reduction in the interest rate.

Mr. LANGER. Yes.

Mr. AIKEN. Which did not make him any more popular in some quarters.

Mr. LANGER. We did that through the establishment of the Bank of North Dakota. Shortly before the Bank of North Dakota was organized, the interest rate had been 12 percent. It went down to 11 and then to 10 percent; and after the Bank of North Dakota went into operation, the interest rate was cut in half. It was reduced to 5½ or 6 percent, on an amortization plan.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. What other States are affected by the provisions of antideficiency judgment laws?

Mr. LANGER. At the present time no State other than the State of North Dakota is affected; but if the distin-

guished Senator's State of Nebraska should tomorrow enact an antideficiency judgment law, of course, the State of Nebraska would be affected.

Back in 1918, when the Federal land bank refused to make loans to the farmers of North Dakota, the moment they refused, the lending agencies got together and promptly raised their rate to 10 percent. They had a meeting at Minot, N. Dak. So after that meeting in 1918, if a farmer wished to make a first mortgage loan on his land, he had to pay 10 percent for a short-term loan.

I came to Washington and spent 6 weeks here with William Gibbs McAdoo, who at that time was Secretary of the Treasury. It was at that time that the distinguished Senator from Ohio [Mr. TAFT] assisted me in getting the Federal land bank to go back into the State of North Dakota and do business. The excuse given at that time was that since the county had furnished seed to the farmers, that represented a first lien, and therefore the Federal land bank could not make loans, because it was claimed that under the law it must have a first mortgage on the land. It was arbitrarily held that such a seed loan would prohibit the Federal land bank from making a loan.

At that time we prepared a brief on the subject. It was shown that in the State of Texas and other States which had irrigation, the irrigation ditches represented a first lien until they were paid for; nevertheless, the Federal Government made loans, and paid no attention to the fact that the irrigation ditch represented a first lien on the land.

Let me explain to the Members of this body how it happened that North Dakota enacted the antideficiency judgment law. The antideficiency judgment law applies not only to real estate, but also to the sale of personal property. It so happened that one of the largest wholesale and retail mail-order houses in the world doing business in North Dakota had sold a washing machine to a woman at Northwood, N. Dak. As I remember, the price of the washing machine was $87.50. That woman made her living by doing washing for her neighbors. She had paid for the machine in full, with the exception of $3.50. That was all she owed. One day a lawyer in Grand Forks sent the sheriff out, on behalf of this great corporation, worth millions of dollars, with replevin papers, to take the washing machine away from this woman, who still owed $3.50 on it.

That meant that the lawyer who drew up the replevin papers could charge a fixed fee of $25. It meant that the sheriff would receive mileage of 10 cents a mile for coming from Grand Forks, N. Dak., to Northwood, N. Dak. In addition to the mileage allowance of 10 cents a mile, he would also receive a fee provided by law.

The result was that the woman, in order to get her washing machine back, would have to pay between $40 and $50. One of the State senators there, Mr. Oliver Bilden, of Northwood, telephoned me, as Governor, and told me the circumstances of the case. I sent a telegram to the sheriff, Oscar Redwing, saying, "Unless you get the washing machine back to that woman by 8 o'clock tonight, I will remove you as sheriff, and we will have a new sheriff in Grand Forks tomorrow morning." I told him that I wanted a telegram from him as to whether or not the washing machine had been returned to the woman at 7 o'clock that night. At 7 o'clock that evening I received a telegram stating that the washing machine had been returned. I may add that later the woman paid the $3.50 which she still owed to the mail order concern, as soon as she earned it.

The members of the legislature and the people of North Dakota became intensely interested, not only in that case, but in hundreds of others. For example, some of the farmers had purchased trucks, and because of the drought, which really was an act of God, they suddenly found themselves unable to pay for the trucks. Some of them had purchased farm machinery, and others had purchased land. Those farmers were perfectly willing to pay just as soon as they got hold of any money with which to pay, but they certainly could not pay until they had crops.

This was about 1933 or 1934. About that time the Federal Government entered the picture, and Mr. HENRY WALLACE, who at that time was Secretary of Agriculture, said that thousands of cattle out there had to be killed. Literally thousands of farmers sold cows for which they had paid $60, $75, or $80, for $17, $18, $19, or $20. I myself owned some cattle which were marched over to a sand pit and shot. Due to the lack of feed, it was felt that they could not be kept, and Mr. WALLACE did not seem to want to ship them to some other State.

The Legislature of North Dakota at that time or shortly thereafter passed an antideficiency judgment bill. I wish to call the attention of the Senate to the fact that even before that bill was passed, in an attempt to coerce the Supreme Court of North Dakota, the Legislature of North Dakota, and the people of North Dakota, because of a decision to the effect that the State would have a first lien on the land because of the payment by the State of the premium for hail insurance, even at that time the Federal land bank was not making loans in the State of North Dakota. Up until that time, Mr. President, it was the matter of State hail insurance, they said, which kept the Federal land bank from operating within the borders of our State. Up until that time—1933—that was its excuse.

Mr. President, after the legislature passed the Antideficiency Judgment Act, and ever since that time, every time we have had a session of the legislature the Federal land bank has been up there trying to get the State of North Dakota to repeal the Antideficiency Judgment Act. Let me say that up to the present time the members of the North Dakota Legislature, regardless of politics, have refused to repeal the Antideficiency Judgment Act. You can readily see how unfair it would be to repeal it.

Let me add that there is another element which entered into the picture. In 1917 and 1918 an outfit which would be selling threshing machines would send an agent to a farmer's place. The situation I am about to describe is not true in all cases; perhaps it is true in only a small percentage of them. But the salesman would be so anxious to sell a $7,000 or $8,000 machine outfit to the farmer that he would talk the farmer into buying the threshing outfit, knowing that the security on the machine itself—the engine and the separator—was not sufficient, and he would not only induce the farmer to give back a mortgage on the threshing machine and the engine but he would also take a mortgage on the farm itself.

I remember one case, Mr. President, the Jacobs case, which was tried in the district court of North Dakota. It involved a farmer named Jacobs, who was living at Flasher, Morton County, N. Dak. He signed a $7,000 mortgage on an engine and separator, and also had a mortgage put on his farm. The engine and separator were sent to the farm. When they arrived, the farmer let them stand in the yard for about a week before he first used them. When he used the machine, he found it had a great many flaws in it, and that it was not as represented. He notified the machine company that he did not want the engine and separator. To his surprise, he found on the back of the purchase agreement which he had signed, set out in very small print, words to the effect that unless within 3 days after he received the engine and separator he notified the machine company by registered mail of any flaws he would have waived all rights on his part in connection with any flaws in that machinery.

So when our legislature met, it passed a law which prohibited the printing in fine type on the back of any form of anything which was to be considered as a part of the agreement. Later on, still in 1933, while I was Governor of the State, the legislature passed another law which provided that a mortgage given by a farmer was not good unless it was also signed by his wife. That is still the law in North Dakota today.

Since 1932 the Federal land bank has not made these loans in the State of North Dakota. It is for that reason that I introduced Senate bill 2086, a bill to amend the Federal Farm Loan Act so as to prohibit the Federal land banks from refusing to make mortgage loans in States the laws of which prevent the rendering of deficiency judgments.

I am sure the Senate will be interested in a letter which I received, which was enclosed in one sent to me this morning by the distinguished chairman of the Committee on Banking and Currency, the Senator from New York [Mr. WAGNER]. I know that the farmers of North Dakota will be interested in it.

The letter is signed by the Assistant Administrator, Charles F. Brannan. The letter is dated December 2. I hope every farmer in the State of North Dakota and every farmer in the entire Northwest will read the letter, because it shows to what extent bureaucracy runs riot and that when we give some of these men a little authority they are perfectly willing to use it even against the farmers, the

people of a State, who, through their representatives, voted to create the Federal land bank itself.

The letter reads as follows:

DEAR SENATOR WAGNER: Further reference is made to your letter of August 25, 1944, requesting a report on S. 2086, a bill to amend the Federal Farm Loan Act, as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States the laws of which prevent the rendering of deficiency judgments.

The bill would amend section 14 of the Federal Farm Loan Act, as amended (12 U. S. C. 791), by adding a new paragraph to provide that no Federal land bank shall have power to refuse to make loans in any State for the reason that the laws of said State prohibit the rendering of deficiency judgments in foreclosure proceedings of mortgages, liens, or contracts. The effect of the bill would be to require Federal land banks to make loans in any State the laws of which wholly preclude enforcement of the personal liability of borrowers on real estate mortgages.

At the present time the bill would apply only to the State of North Dakota, which is the only State where, because of such laws, Federal land-bank loans now are not being made.

Mr. President, let me digress a moment to say that when the writer of the letter said that North Dakota is the only State in the Union which has this kind of a law, that man, the Assistant Administrator, is paying a splendid compliment to the farmers of the State of North Dakota. I do not know of any other State in the Union where the farmers are so thoroughly organized against unjust legislation as they are in the State of North Dakota. They have spent 27 years in becoming educated. Out there they know when they are robbed; out there they know when they are being discriminated against. So, out there, those farmers, beginning 27 years ago, have taken steps to see to it that the kind of legislation which protects them is enacted.

The distinguished junior Senator from Vermont [Mr. AIKEN] a moment ago mentioned the fact that the interest rates were reduced. That is correct. But that was not done, Mr. President, until the farmers organized. In that State, up until the time when the farmers organized themselves, we were paying all the way from 12 percent to 18 percent interest when land was sold for taxes. In order to redeem the land it was necessary to pay interest of from 12 percent to 18 percent; and I myself have abstracts showing that mortgages on land, made prior to 1916, were drawing interest at the rate of 12 percent

The farmers there organized by establishing the Bank of North Dakota. They appropriated $2,000,000 in order to establish a bank owned by the people of North Dakota. That bank has been so successful that not only has the $2,000,000 been paid back a long, long time ago, but today the bank is, I believe, the largest bank between Minneapolis, Minn., on the one side, and Seattle, Wash., on the other. The last time I saw the footings in that bank they were in the neighborhood of $70,000,000. As far back as I can remember, no matter who was manager of the bank, whether he was known as a reactionary, a liberal, a Republican, or a Democrat, the bank has never made a profit of less than one-half million dollars a year. I understand that this year the profit will be considerably greater. That half million dollars is a direct benefit to the people as the bank is owned by the people of North Dakota.

But in addition, Mr. President, many million dollars of indirect benefits have been received by the people. For example, in selling its bonds a county, which formerly had to pay 6-percent interest, is now enabled to obtain money from the Bank of North Dakota at an interest rate of from 1½ to 2½ percent. Not only is that true, but I remember that one county, when it was unable to sell its bonds to anyone at any price, got the Bank of North Dakota to take the bonds, and they have since been paid off in full.

So in North Dakota, Mr. President, we do not worry any more about whether we shall have a scourge of grasshoppers, or rust, or drought, because the various municipalities of North Dakota know that there is one place to which they can always go to dispose of some of their bonds.

In January of 1935 the Legislature of North Dakota amended the law so that the counties of that State could issue bonds. The legislature safeguarded the people by providing that the bonds could not pay more than 6 percent interest, and if a county exchanged old bonds for new ones, they had to be exchanged on a basis of equality.

I refer again to Mr. Brannan's letter which reads, in part, as follows:

The principles embodied in this bill have been considered by the Farm Credit Administration in previous reports.

I may add that not only did the farmers in North Dakota create the Bank of North Dakota, but after they established the bank they went still further. They said that the farmers of North Dakota might also insure their crops with the State of North Dakota against hail. I am sure that every Senator in this Chamber, especially if he comes from a farming State, will be interested in knowing that by the passage of the law to which I have referred the farmers have been enabled to save between $50,000,000 and $55,000,000 in premiums on hail insurance. They have paid that much less than they would have paid if they had been compelled to insure their crops with companies which were writing hail insurance.

The fight in North Dakota became so bitter that those who were in opposition to the farmers made the mistake of assailing them, with the result that the farmers of North Dakota passed legislation which provided for the insuring of all public buildings against fire and tornado with the State of North Dakota. In that respect the rates were reduced nearly two-thirds. Not only were the rates reduced about two-thirds on fire insurance on every public building in North Dakota, but today there is a fund of between $2,000,000 and $3,000,000 to take care of such insurance. I know that some of the municipalities have not been called upon to pay anything for some years. I believe that legislation was introduced which provided that if the fund should reach $2,000,000 no assessment was to be made for a certain period of time. Moreover, Mr. President, the State issues fiduciary bonds. Those bonds have been issued at a rate of about 33⅓ percent of what was charged before. That department of the State government has also been very successful.

So, I judge, Mr. President, that the Federal land banks are not interested very much in the matter of the anti-deficiency-judgment law. I think that their attitude is camouflaged. As I have already said, they did not make loans in North Dakota because of the pretext that the Supreme Court decision held that the premium on hail insurance should be a first lien upon the land. It was on that pretext that they originally refused to make loans within the State. The matter of the anti-deficiency-judgment law was merely an excuse on their part for not making the loans.

Mr. President, I remember one day when one of their attorneys came to see me. He said, "Governor, we have never sued for a deficiency judgment against any farmer in the State of North Dakota in all our history." I said, "If that is true, what objection have you to the law which has been passed by the legislature and overwhelmingly approved by the people of the State of North Dakota?"

Mr. President, as I proceed to read the letter to which I have already referred, I believe that it will be found to go into considerable detail. The letter states:

The principles involved in this bill have been considered by the Farm Credit Administration in previous reports. On June 1, 1937, a report was submitted by Governor Myers to Hon. Marvin Jones, chairman, Committee on Agriculture, United States House of Representatives, on H. R. 5401 (75th Cong., 1st sess.), a bill prohibiting deficiency judgments in real-estate foreclosure by the Farm Credit Administration, the Federal Land Bank Commissioner, and the Federal land banks, and prohibiting an increased rate of interest after maturity. On April 8, 1939, pursuant to Senate Resolution 89 (76th Cong., 1st sess.), Governor Hill submitted a report to the President of the Senate concerning deficiency judgments which had been obtained by the Federal land banks and the Federal Farm Mortgage Corporation (S. Doc. No. 59). In each of these reports, the view was expressed that nullification of the right to enforce the personal responsibility of borrowers would materially impair the capacity of the Federal land banks to extend credit to farmers and endanger the cooperative principles upon which the Federal farm-loan system is founded.

Mr. President, digressing again, I wish to repeat that, in my opinion, it is not a fact at all that the Federal land bank has refused to make these loans because of the anti-deficiency-judgment law, and it is an attempt to wreck the entire program in the State of North Dakota.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the distinguished Senator from Minnesota.

Mr. SHIPSTEAD. It comes to my mind what was done by the commercial banks throughout the West during the banking crisis. The State banks and the National banks also were permitted to

call their depositors in and say, "We cannot pay our liabilities," and they were permitted to make a deal with the depositors by which the depositors would sign off 30 or 40 or 50 or 60 percent of their deposits. Their deposits were liabilities of the banks just as much as the mortgage on a farm is a liability against the borrower. The banks were permitted to do that, in fact they were induced to have their customers come in and sign off and take the loss which had been sustained by the operators of the banks. The depositors lost as high as 75 percent. That was permitted for the commercial banks, but the Federal land bank could not do that with the farmers.

Mr. LANGER. That is exactly correct, and, in order that there may be no misunderstanding, I may say that the Bank of North Dakota has paid in full every penny it ever owed to anybody together with interest; but some 561 commercial banks in North Dakota which closed, as the distinguished senior Senator from Minnesota has said, sometimes signed agreements whereby the depositor lost 75 percent and even up to 90 percent and in some cases where the bank became insolvent the depositor got practically nothing. The Federal land bank, however, as the distinguished Senator has said, would not throw off one single dollar.

Mr. SHIPSTEAD. I may say for the purpose of illustrating my previous remarks that there was a banker in my State who said that if a farmer could not pay his mortgage he was not entitled to buy it back at a lower price than the mortgage, while speculators could at auction buy it for perhaps two-thirds or half the amount of the mortgage that was due. He said he thought that was all right; that if a man cannot pay his debts he ought to lose his security. I said, "Why do you not apply that to yourself?" He asked, "What do you mean?" I said, "You never paid your debts in the crisis." He said, "What do you mean?" I said, "Like others, you called your depositors in and said to them you were not able to pay your liabilities and that you would have to close the bank unless they would sign off enough of what you owed them so as to leave the bank solvent with what was left." I said further, "I do not see that there is any difference between your taking deposits and a man borrowing money from a bank on security. I know you advertise your total footings as assets and liabilities, but the money you have on deposit in the bank is money you borrowed from your depositors, and you were permitted to say, 'I can pay you 30 cents on the dollar'—or something like that—'and give you a deposit slip for 30 or 40 percent of what I owe.'" I said, "I do not see why you should be entitled to do that when a man who has worked on his farm for 12 or 15 years and has done the best he could but has had poor crops cannot have the benefit of this same washing out as you bankers have." He said, "I never thought of that."

Mr. LANGER. The distinguished Senator from Minnesota is exceedingly well informed.

Mr. President, I have just been informed that the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] desires to speak upon the St. Lawrence waterway and I shall yield to him, but before doing so I wish to say that one reason why this matter of insurance by the State of North Dakota has been so very successful has been due to the fine men we have been able to attract to the various offices in the insurance department. The present State insurance commissioner, Mr. Oscar E. Erickson, has been insurance commissioner now for going on the tenth year. He has made an outstanding success; he is known as perhaps the ablest State insurance commissioner in the entire United States of America, and I want to make it very plain that with such excellent management, of course, insurance of this kind can be very successful.

I now yield the floor to the Senator from Wisconsin.

Mr. LA FOLLETTE obtained the floor.

Mr. BREWSTER. Mr. President, will the Senator yield for a moment?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. LA FOLLETTE. I yield.

INFORMATION FROM TARIFF COMMISSION CONCERNING CERTAIN PRODUCTS AND THE RATIO OF IMPORTS IN RELATION THERETO

Mr. BREWSTER. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 341, which is on the calendar with a unanimous report. There are two committee amendments which I shall ask to have adopted.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 341) calling on the United States Tariff Commission for information concerning certain products and the ratio of imports in relation thereto.

Mr. HILL. Mr. President, as I understand, the resolution has been unanimously reported by the Finance Committee, and it is a simple resolution to obtain certain information from the Tariff Commission.

Mr. BREWSTER. That is correct, and there are two committee amendments which have been suggested by the Tariff Commission which I shall ask to have adopted.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 341) submitted by Mr. BREWSTER on November 29, 1944, and reported on December 7, 1944, from the Committee on Finance, with amendments.

The PRESIDING OFFICER. The clerk will state the first amendment reported by the Committee on Finance.

The LEGISLATIVE CLERK. On page 2, line 1, after the word *"Resolved"*, it is proposed to strike out:

That the United States Tariff Commission is hereby directed, under the provisions of section 332 of the Tariff Act of 1930, to examine the dutiable items, the imports of which in 1939 were valued at over $100,000, and to report to the Senate, with respect to each such item or closely related group of items, as follows:

(1) The quantity and value of United States production in 1939 and the ratio of imports to domestic consumption in that year;

(2) The probable long-term annual imports in quantity and value for each of these products in the post-war period.

And insert:

That the United States Tariff Commission is hereby directed, under the provisions of section 332 of the Tariff Act of 1930, to examine articles, dutiable and free, the imports of which in 1939 were valued at over $100,000, or which in the judgment of the Commission might be imported in excess of that amount in the post-war period, and, insofar as it may prove practicable, to report to the Senate, with respect to each such article, as follows:

(1) (a) The quantity and value of imports in 1939;

(b) The quantity and value of United States production, consumption, and exports in 1939 of the like, similar, or competitive article, the ratio of imports to domestic consumption, and the number of persons engaged in the production thereof; and

(2) The probable short- and long-term effects of the changes in conditions which have resulted from the war upon the quantity and value of imports, and upon the production, the number of persons engaged in production, the consumption and the exports of the like, similar, or competitive article.

Mr. BREWSTER. Mr. President, I propose an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Maine to the committee amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, line 3, after the word "effects", it is proposed to insert "with specific estimates wherever possible."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 3, after line 15, to strike out section 2, as follows:

SEC. 2. The Commission shall indicate, insofar as statistical data will permit, the number of persons engaged in 1939 in United States industries producing each of the products or groups of products covered by this resolution and the estimated number which would be employed under the assumptions set forth under (2) above.

The amendment was agreed to.

The next amendment was, on page 3, line 22, after "SEC.", to strike out "3" and insert "2."

The amendment was agreed to.

The next amendment was, on page 4, line 3, after the words "later than", to strike out "January 31, 1945" and insert "February 28, 1945."

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the resolution as amended.

The resolution as amended was agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby directed, under the

provisions of section 332 of the Tariff Act of 1930, to examine articles, dutiable and free, the imports of which in 1939 were valued at over $100,000, or which in the judgment of the Commission might be imported in excess of that amount in the post-war period, and, insofar as it may prove practicable, to report to the Senate, with respect to each such article, as follows:

(1) (a) The quantity and value of imports in 1939;

(b) The quantity and value of United States production, consumption, and exports in 1939 of the like, similar, or competitive article, the ratio of imports to domestic consumption, and the number of persons engaged in the production thereof; and

(2) The probable short- and long-term effects with specific estimates wherever possible of the changes in conditions which have resulted from the war upon the quantity and value of imports, and upon the production, the number of persons engaged in production, the consumption and the exports of the like, similar, or competitive article, if the duties in effect on July 1, 1939, were to (a) remain in effect, (b) be reduced by 50 percent, and (c) be increased by 50 percent: *Provided*, That such estimates shall be based upon two assumptions: First, that the national annual income in the post-war period is approximately that which prevailed in 1939; and, second, that the national annual income in the post-war period will be 75 percent greater than in 1939.

SEC. 2. (a) The Commission shall undertake these projects, so far as practical according to the schedules in the Tariff Act of 1930, or, if preferred, according to the import classes used by the Department of Commerce. The report on each group shall be submitted to the Senate as it is completed and all reports in response to this resolution shall be submitted not later than February 28, 1945.

(b) In the preparation of the report in response to this resolution, the Commission is authorized to secure such information as may be necessary from the Departments of Commerce, State, Agriculture, and such other departments or agencies of the Government as may be necessary, and is directed to give precedence to this work over other work now before the Commission.

The preamble was agreed to.

STATE DEPARTMENT NOMINATIONS—ANNOUNCEMENT OF PUBLIC HEARINGS

Mr. CONNALLY. Mr. President, I regret that so many Senators deeply interested in the recent nominations to positions in the State Department are not present at this time. I merely wish to announce to the Senate and to all interested Senators that the Committee on Foreign Relations has set a meeting for next Tuesday, at 10:30 o'clock a. m., in the caucus room, Senate Office Building, for public hearings on the four nominations which have been heretofore submitted for positions in the Department of State and two additional ones which will probably be sent to the Senate today. I court the attention of all the Senators who are seeking information, so that if they desire they may be present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

PRIVATE INTEREST IN THE ST. LAWRENCE PROJECT

Mr. LA FOLLETTE. Mr. President, when the St. Lawrence seaway project was under consideration in the Senate in 1934, I discussed the project at great length and participated in the debate. It is not my purpose this morning to go into great detail in connection with the various aspects of the project. I do wish to touch upon certain matters which I think are of importance in considering the proposal, and, should there be further debate upon it at this session or at the coming session of Congress, I expect to go into the matter in greater detail.

Mr. President, it is not possible to understand the contentions and maneuvering which have been going on in Washington and throughout the country regarding the St. Lawrence project without reference to the historic background. In the past 10 years a whole series of arguments have been advanced against the project, and each one has proved to be unfounded.

It has been contended that the project is not feasible from an engineering point of view; that it is not desirable from an economic point of view; that it will cost too much and, therefore, will be wasteful; that it will be used too much and, consequently, would hurt existing industries; that we do not need the power because we have plenty of it, but, if we need the power, it is better to get it from more expensive steam-electric stations; and that as a treaty it is not desirable, but as an agreement it is unconstitutional.

In the course of the discussion, I am certain that much of this confusion will be dispelled and the great national benefits of this project will be convincingly presented to the Senate.

There was a time prior to 1932 when there was little confusion and controversy about the advantages of this project. In fact, as early as 1902, when private interests were beginning to show justifiable self-interest in the development of the project for private profit, the advantages of the undertaking as the cheapest source of power were fully recognized. It is only since it has become government policy both in the State of New York and the Federal Government to develop water power resources under government initiative, that the confusion has been wilfully fostered. This will become clear in a brief recitation of the various steps taken by private and public bodies to develop this project. Ever since 1902, first the Aluminum Co. of America, then the General Electric Co., the du Pont Co., and later the Niagara Hudson Power Corporation, have all been successively interested in acquiring power sites and riparian rights, as well as licenses, for the development of the water power on the St. Lawrence River.

In 1907 the Long Sault Development Co. was incorporated as a subsidiary of the Aluminum Co. of America. Under the terms of its incorporation it was granted the right by the New York State Legislature to build a dam and to construct works upon the St. Lawrence River. The company proceeded to acquire title to considerable island and shore property on the St. Lawrence River, and made engineering plans for the development of hydroelectric power near Barnhart Island, where the plant proposed by the amendment of the Senator from Vermont would be built. This subsidiary of the Aluminum Co. claimed, together with its Canadian subsidiary, the St. Lawrence Power Co., the exclusive right to construct works upon the St. Lawrence River in the International Rapids section.

In 1913, however, the act of 1907, which granted permission to construct works upon the St. Lawrence River to the Long Sault Development Co., was repealed by the New York State Legislature. This was followed in 1916 by a decision of the Court of Appeals of New York State, which held that the State could not properly surrender rights which it held in trust for the people. It concluded that the act of 1907 under which the Long Sault Development Co. was incorporated was unconstitutional and void.

Under conditions of war emergency, in 1918, the Aluminum Co. of America applied for authorization and obtained permission from the War Department and the International Joint Commission to build a submerged weir on the St. Lawrence River to increase the supply of power to its plant at Massena, N. Y. In September 1918, the construction of the weir was approved. Thus, on the very river and near the same site where it is proposed to build the river project under the terms of the amendment the same privilege was granted to a private company, without a fight, by the order of executive and administrative agencies.

In 1921 the State of New York created a Water Power Commission with the power to issue 50-year licenses for private development of the State-owned power sites. Immediately the St. Lawrence Transmission Co., again a subsidiary of the Aluminum Co. of America, and the St. Lawrence Power Co., a subsidiary of General Electric Co. and E. I. du Pont de Nemours & Co., Inc., applied for licenses. These two companies were soon merged into one, which came to be known as the Frontier Corporation.

It is well to point out that at this time the International Joint Commission had been holding hearings all over this country and in Canada on the feasibility of a deep waterway from the Great Lakes to the Atlantic Ocean. This interest was aroused and stimulated by the experiences of the last war, when our railroad transportation system was nearly paralyzed and supplies were delayed in reaching ship side.

Now the Frontier Corporation, representing the Aluminum Co. of America, the General Electric Co., and the du Pont Co., was interested in the acquisition and development of the power resources of the St. Lawrence River. They had acquired then title to most of the land in the international boundary where this project is proposed to be constructed. Incidentally, the Frontier Corporation,

now a subsidiary of the Niagara-Hudson Power Corporation, still holds these rights. The first plan for the development of the St. Lawrence seaway and power project was made by a great engineer, Hugh L. Cooper, for and on behalf of this Frontier Corporation. I hold in my hand a report to the International Joint Commission on Navigation and Power in the St. Lawrence River by Hugh L. Cooper & Co. On the cover of the copy I have here is engraved the name of Owen D. Young. Hugh L. Cooper, Senators will recall, is the American engineer who later constructed the Dnieper Dam for the Russian Government. The generating equipment for the Dnieper Dam was built by the General Electric Co. at Schenectady, N. Y. I am mentioning these facts only to point out that this first comprehensive private plan for the development of the St. Lawrence seaway and power project carries the weight of authority and experience behind it.

The private companies that were backing Colonel Cooper's plans for the development of the St. Lawrence seaway and power project are well known throughout the country for their keen eye for profit-making opportunities. In brief, Colonel Cooper proposed to the International Joint Commission for their approval the construction at private expense of all the necessary dams and locks from Lake Ontario to Montreal to create a navigation channel of 30 feet, and power, both at the International Rapids as well as down the river at Soulange and Lachine Rapids, upward of 5,000,000 horsepower. He proposed to undertake this at a total cost of $1,300,000,000 to his private clients. Colonel Cooper's clients would make a gift of the joint costs of navigation and power to the Governments of Canada and the United States in exchange for the right to generate and sell the power on the whole St. Lawrence River.

Colonel Cooper's clients did not rest their case merely by the presentation of this report to the International Joint Commission. On June 11, 1920, they filed an application with the Federal Power Commission for the right to build a dam on the St. Lawrence River under the terms and provisions of the law set forth in Public Act No. 280, Sixty-sixth Congress, H. R. 3184, approved by the President of the United States on June 10, 1920. It must be clear that they did not waste much time before filing an application for the construction of this dam across the international boundary. The State of New York, however, filed an objection with the Federal Power Commission to this application.

In 1926 another report was filed by Colonel Cooper with the New York State Water Power Commission in connection with license application on behalf of the Frontier Corporation. At the same time competing interests entered into the scheme and an application was made to the New York State Water Power Commission on behalf of the American Super Power Corporation. The Commission stated that it was ready to grant permits for the construction of the dams to the Frontier Corporation. Gov. Alfred E. Smith opposed this proposition and made it a campaign issue in that year, and upon reelection of Governor Smith the application was withdrawn.

In 1929 the capital of the Frontier Corporation was acquired by the newly formed Niagara-Hudson Power Corporation. This corporation acquired all private claims to Niagara River power resources and those upon the international section of the St. Lawrence River. Its subsidiary, the Frontier Corporation, continued to purchase substantial tracts of land, including an additional part of Barnhart Island and the whole of Crysler Island.

This effort on the part of the private interests to secure the development of this great natural resource for their own benefit can well be appreciated, and I quote from Colonel Cooper's report:

If afforded the opportunity—

Colonel Cooper's report said—

we will offer to provide without Government aid or guaranties from Canada or the United States, two control dams and two powerhouses and their machinery contents.

Colonel Cooper's report continued:

We believe that the greatest single need for the restoration of the public to normal contentment and happiness is cheap power. The construction of the works here proposed will give to the zone east of Niagara Falls, and for a radius of over 400 miles from the Croil Island site, power advantages at least equal to and probably better than those that now exist, or can be hereafter created at Niagara Falls, for reasons that will be hereinafter set forth.[1]

Colonel Cooper's report was equally eulogistic about the advantages of navigation, and I quote briefly from that section of the report:

It will be seen, therefore, that the zone to be supplied with cheap power will also be aided in its commercial development by the coincident creation of new navigation advantages. These navigation advantages, properly coordinated with water power and the vast railway systems now existing in this territory will give to this zone industrial advantages that cannot be otherwise created or found elsewhere on the American Continent.[2]

Colonel Cooper and his clients, the Aluminum Co. of America, the General Electric Co., and the du Pont Co. were not the only ones interested in the development of the St. Lawrence seaway and power project. This undertaking held equal favor with highly placed New England businessmen. Mr. Henry I. Harriman, twice president of the United States Chamber of Commerce and also president of the Boston Chamber of Commerce and the New England Council, was one of the early proponents of the St. Lawrence power and navigation project. Senators know that Mr. Harriman is as widely experienced in the development of river basins as anyone in the country, since he has been responsible for the development of water power in New England, particularly in the Connecticut Valley, ever since 1907. Concurrently while Mr. Cooper was presenting the engineering plans of the private companies, Mr. Harriman stated in great detail the public benefits of this development. I have in front of me a speech delivered by Mr. Harriman in 1921 in which he had this to say:

The project for the improving of the St. Lawrence River from Lake Ontario to Montreal is of importance to the West in that it will give them direct access to the sea and permit ocean-going vessels to load and discharge at the various ports of the Great Lakes. Its primary import (though not its only advantage) to the New England States, and equally to New York, arises from the fact that the improvement of the river makes possible the largest hydroelectric development in the world.

And again:

Power from the St. Lawrence River will find its natural market in New York State, in New England, and in Canada; and, as both Boston and New York lie within a 300-mile radius, all New England is within feasible transmission distance.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Wisconsin yield to the Senator from Vermont?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. I think it might be well to state at this point that Mr. Harriman is one of the most prominent, if not the most prominent, public-utility executives in all New England.

Mr. LA FOLLETTE. I made that statement. Perhaps the Senator did not hear it.

Mr. AIKEN. I did not hear it; there was so much confusion in the Chamber.

Mr. LA FOLLETTE. I apologize for the state of my voice today.

Mr. AIKEN. It is very unfortunate that Mr. Harriman has not been able to convert all his associates to his way of thinking.

Mr. LA FOLLETTE. I agree with the Senator.

Mr. Harriman further stated:

Undoubtedly the power which the St. Lawrence can produce is two-thirds of the feasible water-power energy which can be developed east of the Mississippi, exclusive of Niagara, which should be largely preserved as a scenic wonder. It is the one huge concentrated source of energy available in the Eastern States.

And speaking of costs, he concluded:

I do not think there is any doubt, however, that when the entire power of the river is developed 1 mill per kilowatt-hour will cover interest and sinking-fund charges on the portion of the work devoted to navigation, and from 2 to 3 mills per kilowatt-hour will cover the same items for the entire project, including both dams and powerhouses. Enough is now known to give assurance that power can certainly be generated on the St. Lawrence River and delivered in wholesale quantities in the New England States and New York for less than 1 cent per kilowatt-hour.

[1] Excerpt from Report to International Joint Commission on Navigation and Power in the St. Lawrence River, by Hugh L. Cooper & Co., p. 9.

[2] Excerpt from Report to International Joint Commission on Navigation and Power in the St. Lawrence River, by Hugh L. Cooper & Co., pp. 9–10.

Mr. Harriman was equally enthusiastic about the transportation features of this project. He said:

To summarize, then, it is fair to assume that a bushel of grain can move by water through the improved St. Lawrence from the western end of the Great Lakes to the ports of New England for 12 cents or less; and the lowest possible rate at which it can now move between these same ports is 18 cents. What is true of wheat would be equally true of flour, and even more true of package freight, which is costly to transfer at Buffalo from boat to train.

Traffic from interior New England points would also benefit by the St. Lawrence route. Today such traffic, moving to its destination via the Great Lakes, must first move 500 miles by rail to Buffalo; but upon the completion of this project it would move 300 miles by rail to Ogdensburg or other St. Lawrence ports, and there be transferred to lake steamers; and this would be an advantage, not only to the shippers, but to the New England railroads which would thereby receive a longer haul over their own rails.

I also believe freight would move more rapidly and more regularly to and from the ports of the Great Lakes by boat than by train. Boats would travel from Boston, Portland, or Providence to Detroit or Cleveland in 7 to 8 days, and to Duluth or Chicago in 10 days, and a shipper could be sure of his time of delivery whereas now he is subject to the rail delays caused at the various crowded gateways through which traffic must pass. (Excerpt from the St. Lawrence Project—Its Meaning to New England, by Henry I. Harriman, former president of the Boston Chamber of Commerce, 1921, p. 11.)

In 1928, Mr. Harriman was still greatly interested in development of the St. Lawrence seaway. He devoted a considerable portion of his presidential address before the Boston Chamber of Commerce to this project. I quote:

May I in closing briefly refer to a project which in my opinion will vitally affect for the better transportation conditions in New England. I refer to the Great Lakes-St. Lawrence seaway project so strongly favored by President Coolidge and by President-elect Hoover.

* * * * *

The opening of the Panama Canal greatly expanded New England's markets on the Pacific coast. Boston is now nearer to Los Angeles and San Francisco, from a rate standpoint, than is Kansas City or Minneapolis, and if the St. Lawrence seaway is built Chicago and Duluth will be as near to Boston, viewed from the standpoint of rates, as Buffalo or Pittsburgh.

* * * * *

The Panama Canal has opened one-fourth of the markets of the United States to the New England manufacturers, markets which were formerly closed to them through high freight rates, and the construction of the St. Lawrence seaway will open to these same manufacturers another vast section of the country, the Middle West, with its 40,000,000 inhabitants. The St. Lawrence seaway means much to the Middle West, but in my opinion it means even more to the people of the New England States.

Mr. Harriman also wrote a book in 1929, fully supporting by factual data his conclusions in favor of the seaway and power project. The private power company officials were not the only ones completely sold on the advantages of the St. Lawrence power development, but even to a larger degree the presidents of the larger railroad companies, with the exception of those in the East, were all in favor of the construction of the seaway. I have here a series of statements by the presidents of various western trunk lines heartily supporting the seaway as a benefit to the western railroads. These statements were given from 1920 to 1929 at the same time as Colonel Cooper, on behalf of his clients, and Mr. Harriman, president of the New England Power Association, were promoting the project as a benefit to the East. Among those who were the supporters, some of whom are still living, were Ralph Budd, then president of the Great Northern Railroad, and since of the Burlington lines; Mr. S. M. Felton, president of the Chicago, Great Western Railroad; Mr. Hale Holden, then president of Chicago, Burlington & Quincy Railroad, and later vice president of the First National Bank of New York; Mr. A. H. Scandrett, president of the Chicago, Milwaukee & St. Paul Railroad; Mr. Howard Elliott, chairman of the Northern Pacific Railroad; Mr. Fred Sargent, president of the Chicago, North Western Railroad Co.

I ask unanimous consent, Mr. President, that these statements may be printed as an appendix to my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LA FOLLETTE. Under the impetus of this great interest in the development of the St. Lawrence seaway, many State legislatures and State Governors officially went on record and contributed State funds for the furtherance of this project through the Great Lakes-St. Lawrence Tidewater Association. In 1929 there were 23 States officially connected with this organization, either by legislative or executive order. With national support, President Coolidge and President Hoover carried through negotiations with Canada which resulted in the treaty of 1932.

By the time the treaty came to a vote in the Senate in 1934, however, there had come over the country a great change, and those very groups which for years had consistently supported the St. Lawrence project suddenly disappeared from the scene. Instead, the Association of Railway Executives, in the person of the general counsel, appeared before the Senate Foreign Relations Committee in 1933 to vigorously oppose the project. Those other interests, the private power companies, which advertised the benefits of the St. Lawrence power throughout the land as the cheapest source of power in the United States, suddenly became silent officially, and through their agents started opposing the construction of this project.

What was the reason for this sudden change in the attitude of those who were principally instrumental in the first place in stimulating public interest all through the first 30 years up to 1932 in the St. Lawrence seaway and power project? The plain reason for this change of attitude on the part of these groups, I believe, was due to the change in governmental policy toward the development of the water resources of the State and Nation. After Gov. Alfred Smith came Gov. Franklin Roosevelt. They believed that the good of the people requires the development of river resources of the country for the benefit of all the people, and they would not relinquish the public heritages for private profit.

When this policy became entrenched in the Federal Government after 1932, it looked pretty hopeless for those who wanted to take the St. Lawrence project for their own. I shall shortly give proof as to the very devious ways in which the private power companies have opposed the St. Lawrence project. First, however, let me explain how it is that the railroads west of Lake Michigan, which up until 1929 were in favor of the St. Lawrence project, suddenly became silent and now are on record in opposition to it through their national railroad organization.

I have before me the official records of the Interstate Commerce Commission, which give figures on the 30 large stockholders of these trunk-line railroads. With few exceptions, in every instance the greatest majority of the individuals and banking and brokerage firms which own the largest blocks of shares are located in New York or Boston. I have here also an analysis of the principal interests and connections of the directors of the western railroads, and in the majority of cases they will be found in the Directory of Directors of New York City.

It is this eastern control of much of the stock ownership and management of the western roads that establishes the connection between the power issue I have just recited and the attitude of the western railroad managements. The issue that is being fought here is not economic, physical, engineering, or international advantages or ramifications of the St. Lawrence project, for those factors were well considered and satisfactorily answered by the private interests 15 years and more ago.

The issue, divested of the welter of confusing contentions, is the public development of the St. Lawrence power project. It is my belief that if that issue were presented squarely before this body there would be no doubt that the Senate of the United States would forthwith approve the amendment of the Senator from Vermont, for it is the national policy, as it is now the policy of the State of New York under both Democratic and Republican administrations, to develop river basins under public control and for the benefit of consumers. The Congress has asserted that principle over and over again. The last time the Senate went on record was only a week ago, in connection with the consideration of the flood-control bill, and in connection with the consideration of the bill which is now before the Senate.

This is a matter of public policy that is well established and has been recognized by both parties. It is today the policy of the State of New York under Governor Dewey, as well as of the Federal Government under President Roosevelt.

The opponents of this project dare not, therefore, put the real issue squarely to the Congress of the United States, because I feel sure they know what would be the overwhelming result. Instead they have conjured all through these

years since 1932 the most fantastic stratagems to deviate public opinion from the real issue. They have done this by going down to Texas and whispering to the people there that their jobs would be taken from them if the St. Lawrence project were passed. They have gone to Kansas, Illinois, and Ohio and told the coal miners that they would be out of work if this project were developed. They have told the railroad workers in New Mexico and Utah that their jobs would be at stake, and the farmers in Kansas, Michigan, and Iowa that foreign agricultural products would swamp the home market. They have gone to Mobile, Ala., and Columbia, S. C., and whispered that their markets and the traffic going through them would be destroyed by the St. Lawrence project. They have gone to Boston, and in the very chamber of which Mr. Harriman was so long and so honorably the head, they have sold the proposition that New England would be economically devastated if this power and seaway project were constructed. In my opinion, it would require the most painstaking investigation and a very large staff of investigators to discover the many and devious ways by which this propaganda has been spread throughout the land. I have before me evidence of two of the methods which may interest the Senate.

I hold in my hand a group of editorials which appeared on August 6 and 8, 1941. Each is entitled "Seaway and Defense." They appeared during the time when this very subject was before the House Committee on Rivers and Harbors. Four of these editorials appeared simultaneously between August 6 and 8 in Johnstown, Pa.; Niagara Falls, N. Y.; Woonsocket, R. I.; and Waterbury, Conn. An examination of the editorials indicates that they are substantially identical, word for word. It is a strange coincidence indeed that the editorial muse should strike the editors of these newspapers, located in four different States, with the same verbal inspiration within 2 days' time.

Further examination indicates that the editorials were not written by the local editors, but were copied word for word from an editorial boiler plate which is daily circulated by a propaganda agency that on the record is known to be financed by the private utilities. The editorials appearing in Johnstown, Niagara Falls, Woonsocket, and Waterbury, attacking the St. Lawrence project, were derived from a service called the Industrial News Review, issue of August 4, 1941. As you see, the editors lost no time in transcribing the propaganda outbursts of this medium for the misguidance of their readers. This Industrial News Review is owned, edited, and published by an outfit called E. Hofer & Sons, 1405 SW. Water Avenue, Portland, Oreg.

What is this outfit that gives such daily editorial service to these newspapers? I read from the heading of the Industrial News Review, which I hold in my hand.

> Its weekly distribution of industrial items and comment herewith is supported financially by basic lines of industry including public service companies, railroads, banks, chain stores, mining, insurance, farm organizations, petroleum, and others who believe in its program that community prosperity and growth, sound government and reasonable taxation, both national and local, must proceed and accompany individual and corporate prosperity. Its findings are not copyrighted and are submitted for consideration or reproduction, in whole or in part, or for any commentary use of statistics, quotations, or opinions contained. Its desire is to encourage constructive comment on basic questions affecting American industries.

Going behind these pious assertions of the owner and publisher of the Hofer service, we find that this outfit was investigated by the Federal Trade Commissior in connection with its investigation of utility corporations, and was found by the Commission to be largely supported by private utility interests.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Let me ask the Senator from Oregon if the purpose of the organization is very well known throughout his section of the country.

Mr. HOLMAN. During my long political career I have learned to know that that organization writes "canned" editorials for the utilities. It not only writes such editorials, but it also writes news items. It has even gone so far as to sign the names of fictitious persons to fictitious articles.

Mr. LA FOLLETTE. I thank the Senator, his remarks have greatly buttressed the point I desired to make.

Mr. President, I ask unanimous consent to have printed as an appendix to my remarks certain pages from the report of the Federal Trade Commission's investigation, which substantiates the assertion I have made.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LA FOLLETTE. Although this Federal Trade Commission investigation goes back quite a time, the organization I have mentioned is, according to its own words, which I have quoted, being maintained by private and public service corporations, railways, banks, and insurance companies.

The case I have cited is not an isolated instance, but is one of a great stream of propaganda against this great project. I have before me a tabulation of newspapers which have utilized the services of this utility organization, which have copied verbatim the propaganda given to them, and have passed it on to their readers, to influence them against the St. Lawrence project—and here is the point I wish to emphasize—without disclosing the sources from which these editorial opinions are derived, thus leaving the impression with the readers of the publications that this material attacking the St. Lawrence project was the product of the brain of the editorial writer or the publisher of the respective publications. The list which I have before me includes newspapers in the following cities: Ashland, Ky.; Woonsocket, R. I.; Davenport, Iowa; Johnstown, Pa.; Paterson, N. J.; Niagara Falls, N. Y.; Lynn, Mass.; Terre Haute, Ind.; Waterbury, Conn.; Ottumwa, Iowa; Wheeling, W. Va.; Lowell, Mass.; Washington, Iowa; Salt Lake City, Utah; Lima, Ohio; Port Arthur, Tex.; Clinton, Iowa; and Waterville, Maine. This is only a partial list, since no attempt was made to cover all the newspapers in the country. If any Representatives or Senators wish to see the evidence pertaining to the newspapers in their own locality or State, I shall be glad to show them individually and let them reach their own conclusions.

Mr. HOLMAN rose.

Mr. LA FOLLETTE. I yield to the Senator from Oregon.

Mr. HOLMAN. I hesitate to interrupt the Senator.

Mr. LA FOLLETTE. I am glad to have the Senator do so.

Mr. HOLMAN. The Senator has been dealing with an invisible but effective force which I have battled all through my political career, but it finally got me in the last election.

The fight for Bonneville Dam and its benefits is not yet over. The Senator may understand that if I say that I care not who owns and tends the cherry tree if I can pick the cherries. The private utilities do not care about owning Bonneville Dam, Grand Coulee, and similar Federal projects. They are perfectly willing to have the taxpayers and the Nation construct, at public expense, these great hydroelectric plants; but they will see to it, if possible, that the benefits of those plants accrue to the private utilities, not to the public.

Mr. LA FOLLETTE. I agree with the Senator. While I am not a prophet or the son of a prophet, I venture to make the suggestion that if the State of New York and the Federal Government were willing to provide for the sale of the power at the bus bar to the private utility companies, a substantial part of the opposition against this great national project would disappear.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Let me add that I have first-hand knowledge, direct from the mouths of certain utility operators, that they would not be likely to oppose it if they were assured it would not lead to an expansion of public distribution of power.

Mr. LA FOLLETTE. Mr. President, this indirect and devious method of influencing public opinion is, in my opinion, a violation of editorial trust, and if carried on indiscriminately and unchecked, it would undermine the very foundations upon which democratic government must rest. But more germane to the point at issue is the fact that, whereas the utilities and railroads were in favor of the St. Lawrence project before 1932, at the time when the eastern utilities expected to obtain control of the water resources of the river, the private utilities and the railroads are now opposed to it, and they express their opposition not only publicly but by underground methods.

The river is the same river, and the tremendous potential power and the navigation of the river are unchanged. The only thing that has changed is the

public policy, both in the Federal Government and in the State of New York, that the project should be publicly owned for the benefit of the people. It is this issue, Senators, that leads those utilities and railways to resort to confusion and misrepresentation in order to sidetrack this great project. In 1934, when we had a treaty before the Senate, the greatest lobby in the history of this Nation came to Washington to defeat it. In 1941, when this proposal was before the House Committee on Rivers and Harbors, the principal propaganda weapon then was to promote throughout the country the notion that there was no power shortage and no transportation shortage. The very newspapers that were disseminating some of the propaganda have since learned that we have had a newsprint shortage because of a power shortage.

Another indication of indirect and devious methods employed by the power companies to defeat the St. Lawrence seaway is typified in the activities of the Niagara frontier planning board. The history of that organization goes back 20 years to the days when the private companies were trying to obtain licenses for the development of this resource for their own gain. In 1924, a Niagara Frontier Planning Association was formed, consisting of power, railroad, and banking interests in the Niagara area. One of the first steps this outfit took was to propose to the State legislature the establishment of a Niagara frontier planning board for purposes of regional planning. The newly created board, consisting of county officials, established its headquarters in the same office as that of the Niagara Frontier Planning Association which was, as I have previously stated, supported by power, railroad, and banking interests.

Both organizations signed a joint lease. The board and the association also shared the services of the same secretary and the same chief engineer. In 1925, the board requested the association to cooperate with it, and officially designated the association as its agency to collect and distribute information. The board has continued to be merely a stooge of the association of private interests which brought it to life. The secretary and the chief engineer, jointly employed by the association and the board, have been busily engaged in issuing propaganda against the St. Lawrence project in the holy name of a public body.

I wish to present for printing in the RECORD as an appendix to my remarks a list of members of the association, which seems in all respects to run the activities of the board through the paid chief engineer.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 3.)

Mr. LA FOLLETTE. This list of members is as of February 19, 1940. In the list there will be found such well-known names as Paul A. Schoellkopf, now deceased; Jacob F. Schoellkopf, Jr., president and director of Niagara Share Corporation; Col. William Kelly, president and director, Buffalo, Niagara & Eastern Power Corporation; LeGrand DeGraff, director; L. G. Harriman and Daniel J. Kenefick, both directors of the Buffalo, Niagara & Eastern Power Corporation; and Bob Roy MacLeod, executive vice president, Niagara Falls Power Co. There are also in the group others closely connected with railroad and banking interests.

In that same year, 1940, the board put out a respectable looking book opposing the seaway. Here again we have an instance of opposition to this project by the various interests that used to favor it when they expected to obtain licenses for the development of the St. Lawrence project for their private property, but now oppose it tooth and nail.

Mr. President, the Senate of the United States cannot afford to be fooled by these devices.

It is my firm belief that the sound economic development of the United States, and of all the regions of the United States, requires the construction of the St. Lawrence seaway and power project. Should the question become the subject of debate at some future time when I am not handicapped by such a severe cold as I now have, I hope to have the opportunity of discussing it further.

EXHIBIT 1

In 1920, when the seaway was a new project, Edward Pennington, president of Minneapolis, St. Paul & Sault Ste. Marie Railroad, speaking before the international joint committee then investigating its possibilities, said:

"Water transportation has always been and will always be the cheapest and most reliable transportation of the world at all times, and this Great Lakes-St. Lawrence water project seems to be one that should be encouraged in every possible way. * * * I think it would be a great thing for the Northwest and Canada to shorten the rail haul. It would have the same beneficial effect on the Northwest as the Panama Canal has had on the Pacific coast cities and coast States."

In the same year Ralph Budd, president of the Great Northern, gave it as his opinion that—

"The benefits accruing to the middle and northwest sections of the United States as a result of the Great Lakes-St. Lawrence tidewater project cannot help being apparent to anyone who has given the subject consideration." And in 1923 he added:

"Our trouble is that the West, and especially the Northwest, is sacrificed in order to make an exceptionally favorable showing in the East. Of course, this cannot continue indefinitely."

In 1923, Mr. S. M. Felton, president, Chicago Great Western Railroad, expressed his opinion that—

"I am heartily in accord with the project, but I do not believe it is wise to attempt to carry it out on a 25-foot channel. We must go to 30 feet or not at all, because by the time the canal is completed a 25-foot channel will be out of date. * * * We will need the best possible facilities to make the program a success."

We have compromised with Mr. Felton on his 30-foot channel. We have gone down to 27 feet with the sills placed at 30. All that will be needed to secure the 30-foot channel will be the necessary additional excavation, if and when the time of necessity shall arise. At present the 27-foot channel will amply provide for the vast majority of tonnage that may be expected to use the St. Lawrence-ocean road.

Again, Mr. Felton spikes the guns of those who say the seaway is a seasonal affair by remarking on this point:

"Lines which reach the Gulf from the West naturally would not favor it, but lines that reach Chicago and terminate here certainly should favor it, and I do not see wherein there would be any great opposition on the part of our eastern connections at Chicago. We have always in season worked the lake-and-rail business and the lake-and-canal business, and I do not see why we shouldn't work with the Great Lakes project, where it is for our interest to do so."

Hale Holden, when president of the Chicago, Burlington & Quincy, said:

"I view the Great Lakes-St. Lawrence tidewater project as a matter of the highest interest and importance to the development of the middle and northwestern territory, comparable only to the Panama Canal in its widespread and beneficial results.

A. H. Scandrett, president, Chicago, Milwaukee & St. Paul Railroad, in 1929, after the seaway project had been under consideration for 9 years, said:

"The movement in volume of export and import traffic from and to eastern termini of western railroads would unquestionably be of benefit to those railroads and the territory which they serve."

Howard Elliott, who wrote his name into transportation history, both in the West and in the East as well, said before the Harvard Club, of New York City, when chairman of the Northern Pacific Railway:

"This (the seaway) is a great national project, national in scope and influence. * * * The project will be beneficial to New England and to all the country tributary to the Great Lakes. It will relieve congestion on the railroads reaching the upper Atlantic ports when population and industry are twice what they are today. The project will help coastwise trade, export and import trade between the Middle Western States and foreign countries and give great opportunity to our merchant marine fleet."

Fred Sargent, then president, Chicago North Western Railway Co., held to the view that:

"The Great Lakes-St. Lawrence waterway will help the Middle West. Anything that will help promote the prosperity of the inland empire between the Alleghenies and the Rockies will help the railroads and will be of inestimable value to the entire country."

And, finally, we have the opinion of H. E. Byram, who as president of the then in receivership Chicago, Milwaukee & St. Paul, exercised the option held by that road to purchase from the Northern Pacific Railroad a half interest in its terminals at Duluth and its lines between the head of the Lakes and St. Paul and Minneapolis. A major factor in reaching the conclusion to exercise the option was the belief that lake ports would soon be made ocean ports and the Milwaukee desired an outlet to the sea on Lake Superior as well as on Lake Michigan. Explaining the expenditure involved, Mr. Byram said in a public address in Duluth:

"We are heartily in sympathy with the development of the waterway. We are not afraid of it as competition. We are confident that the waterway will come and that is why we want a foot on the doorstep of Duluth. It was a considerable influence in bringing us to our conclusion. * * * It is useless to fight such an improvement for our country. On the contrary, we expect to share in the great business that will come with the opening of the Great Lakes to the sea. We are desirous of sharing in the traffic that must come through this port and for that reason have decided to cast our lot with

you and share in the prosperity that will be yours." (From the CONGRESSIONAL RECORD, January 19, 1934, p. 923.)

EXHIBIT 2

E. HOFER & SONS

ITS ORGANIZATION

The organization of E. Hofer & Sons, of Portland, Oreg. (the San Francisco office and the Salem (Oreg.) office were closed and combined with the office at Portland), is briefly explained in a letter from E. Hofer & Sons to Mr. A. R. Gwinn, Central Illinois Public Service Co., May 26, 1925, in which it was stated:

The service of the Manufacturer and Industrial News Bureau is an outgrowth of work started in Oregon, largely in the interest of public utilities, 13 years ago, when, as a matter of self-preservation, utility and other industrial companies found it necessary to get facts before the public in order to counteract the destroying influence of proposed destructive legislation.[1]

About 1924 a conference in Mr. C. A. Coffin's apartment in New York, attended by R. M. Hofer and representatives of the utilities, including E. A. Coffin, retired chairman of the board of directors of the General Electric Co.; Randall Morgan, of the United Gas Improvement Co.; C. E. Groesbeck, S. Z. Mitchell, W. E. Breed, and E. K. Hall, of the Electric Bond & Share Co. group, resulted in expanding the Hofer service to the entire country, reaching 14,500 to 15,000 newspapers, particularly country papers, whereas it had formerly reached newspapers in only 15 States in the West.[2]

The annual book gotten out by E. Hofer & Sons for the year 1925 stated:

"The work started by the Manufacturer and Industrial News Bureau in Oregon in 1912 has gradually grown until today, instead of reaching some 200 papers in 1 State with an editorial discussion of subjects as outlined, we are reaching some 14,000 papers in the 48 States.[3]

HOFER SERVICE SUPPORTED BY THE UTILITIES

Before the New York conference referred to above, so close was the relation between the N. E. L. A. and this service, that in at least one instance a geographic division of the N. E. L. A. collected the Hofer subscriptions from its members and paid them over to the Hofer people.[4] Following this conference, the utilities supported the service to the extent of $84,820.80 a year,[5] to have the Hofer aims, shown below, disseminated through the press of America:

"To help counteract conditions that interfere with the lawful development of business and industries.

"To help minimize regulation of industry that is unnecessary or hurtful.

"To discourage radicalism in all its forms.

"To fight for reasonable taxation by city, county, State, and Federal Governments.

"Straight-from-the-shoulder arguments against socialistic propaganda of whatever nature, because socialism does not square with our American industrial system and is contrary to the very foundation principle of our constitutional form of government."[6]

Although the Hofer service was also supported by contributions from other industries in an amount about equal to that of the utility companies, a letter from E. Hofer & Sons, on May 26, 1925, to A. R. Gwinn, manager, industrial department, Central Illinois Public Service Co., stated:

"The leading utilities of the country have made it possible for us to conduct this work."[7]

On May 16, 1927, R. M. Hofer wrote Percy Young, vice president of the Public Service Co., Newark, N. J.:

"It is necessary to depend on those interested in this undertaking to continue subscriptions and to help us get an additional one as opportunity offers.[8] The original subscribers who sponsored this work 4 years ago are still its strongest supporters and have continued subscriptions as in the past, with some substantial increase where new companies have been acquired."

THE POLICY OF THE HOFER SERVICE

Robert M. Hofer testified that the policy pursued by the Hofer service was persistently to oppose municipal operation of utility plants and government participation in business.[9]

Referring to the value of this service in this respect Mr. Coffin's views were:

"The Hofer service has been of especial value to public utilities. Hofer has pointed out in the clearest way and over again the dangers of municipal ownership, and the value of customer ownership; he has fought to a finish the Bone bill in the State of Washington and largely contributed to the defeat of the California power bill. He effectively shows the unwisdom of tax-exempt bonds. The telephone company at first brought this to my attention, with the statement that Hofer had done great service in changing the attitude of the legislatures in the Northwest and North Pacific countries toward the telephone company."[10]

One of the most outstanding articles of this nature appearing in the Manufacturer, the monthly publication, included a map issued by N. E. L. A. showing comparative percentages by States of the generating capacity and population served, between privately owned electric light and power systems and municipally operated electric plants. This map showed that 90 percent of the population was served by private companies which represented 94.5 percent of the total generating capacity of the 48 States. Six hundred newspapers reproduced this story from the Manufacturer.[11]

The Manufacturer from September 1926 to May 1928 contained articles similar to those in the weekly news sheet, relating to socialism, customer ownership, disparagement of the Ontario hydroelectric situation, Government ownership, the Swing-Johnson bill, sale of municipal plants, Muscle Shoals, views of Martin J. Insull on holding companies, views of Samuel Insull on private initiative, and articles in disparagement of municipally owned street railways.

The following captions are illustrative of hundreds of a similar character of material contained in the weekly bulletin:

"Why special legislation."

"A practical answer" (relating to Muscle Shoals).

"Note taxes paid."

"Records speak for themselves."

"Utilities fight for private rights" (statement by George B. Cortelyou, chairman of joint committee).

"Municipal ownership limits service."

"Purchased power cheapest."

"Taxpayer pays for experiments" (statement of Alexander Dow, president of Detroit Edison Co., relating to municipal ownership).

"The socialistic drive in California" (re California Water and Power Act).

"Would destroy industrial opportunity" (relating to socialism).

"Customer ownership increasing."

"Utility securities inspire confidence" (relating to customer ownership).

"The public utilities" (comments of President Sloan of Brooklyn Edison Co., re putting Federal Government into the electric-power business).

"Too many umpires" (statement of Representative CHARLES A. EATON, of New Jersey, re political bureaucracy and Government interference).

"New Profession Develops in Generation" (address of P. H. Gadsden, vice president, United Gas Improvement Co., concerning customer ownership constituting a strong protection against radical and ill-considered changes in policy).

"One hundred and five municipal plants sold during year" (quotation from N. E. L. A. report showing 1,234 municipal plants sold or abandoned).[12]

A large part of the weekly service sent out is editorial in form and has been reproduced as editorials in great numbers of papers throughout the country, without indicating the Hofer source. The following quotation shows Mr. Hofer's claim relative to this editorial achievement:

"Reproduction of our articles appear almost invariably as original editorials, as we ask no credit."[13] A letter from G. W. Curren, secretary, United Gas Improvement Co., to H. S. Whipple, vice president, Rockford Gas Light & Coke Co., June 10, 1927, also makes the claim that—

"The articles are reproduced extensively as original editorial and news."[14]

What their character was and what their appeal was that lured $84,000 per annum from the private-utility groups and companies are thus stated:

"We show the blighting effect government or public ownership has on private initiative and enterprise. We show that drastic and radical rate regulation which kills utility development hurts the community worse than the company; we show that exorbitant taxation of business is simply indirect taxation of the consuming public."[15]

In addition to the service, Mr. Hofer also carried on correspondence with editors giving at some length arguments against municipal ownership of utility plants.[16]

HOFER PUBLICATIONS

E. Hofer & Sons furnished 3 different services or publications. The newspapers receiving these Hofer services did not pay for them, nor was it disclosed to them that the service was paid for by the persons who contributed $170,000 yearly.[17] They published a monthly industrial trade journal magazine known as The Manufacturer, also a weekly mimeographed Industrial News Bureau Bulletin, which consisted of from 2 to 4 sheets of editorial matter discussing problems affecting basic conditions in the country and in each State. The third was a weekly State industrial review, which was sent to the papers of each State, and which accompanied the Industrial News Bureau Bulletin, and

[1] Ex. 3867, Exs. Pts. 7–9, 335; Pt. 7, p. 255; see also statement of P. H. Gadsden, Minutes Management Committee, United Gas Improvement Co., Mar. 31, 1927, ex. 5285.

[2] Pt. 7, pp. 223–225.

[3] Ex. 3849, exs. pts. 7–9, p. 282; pt. 7, p. 233.

[4] Pt. 7, pp. 354–356.

[5] Ex. 3845, exs. pts. 7–9, pp. 276–278; pt. 22, pp. 443, 444; pt. 51, pp. 348, 349; exs. 5282, 5283, pt. 51, pp. 692, 693.

[6] Exs. 3850, 3851, exs. pts. 7–9, pp. 284, 285; ex. 3987, exs. pts. 7–9, p. 501; pt. 7, p. 225; pt. 13, p. 61; ex. 3845, exs. pts. 7–9, p. 276.

[7] Ex. 3867, exs. pts. 7–9, p. 335; pt. 7, pp. 228, 354; pts. 18–19, p. 158.

[8] Ex. 3852, exs. pts. 7–9, p. 294; pt. 7, p. 244.

[9] Pt. 7, pp. 225, 237.

[10] Ex. 5281, pt. 51, p. 691.

[11] Ex. 3849, exs. pts. 7–9, p. 283; pt. 7, p. 235; see also ex. 1182, exs. pt. 3, p. 934; pts. 18–19, p. 153.

[12] Exs. 3862, 3864, exs. pts. 7–9, pp. 303, 323; pt. 7, pp. 253, 254.

[13] Pt. 7, p. 231.

[14] Ex. 5280, pt. 51, p. 689.

[15] Ex. 3847, exs. pts. 7–9, p. 280; pt. 7, p. 232.

[16] Ex. 3852, exs. pts. 7–9, pp. 286, 287, 269; pt. 7, p. 229.

[17] Pt. 7, p. 249.

which amounted to 2,496 original reviews per annum.[18]

In the rural press the reproductions of articles appeared almost invariably as original editorials, and constituted "a vigorous and continuous drive in favor of business and industrial stability, and counteract radicalism in all its forms." [19]

Notwithstanding its 50-percent support by utilities, the Hofer service represented itself to be "an independent publication dissociated from direct connection with any industry," and "doing a highly intensive and scientific line of publicity work which is reaching more people continuously with the industrial idea through the country daily and weekly newspapers of this Nation than are being reached by any other single agency." [20]

The place for and results from such an alleged independent service was expressed in a letter written on September 27, 1926, by R. M. Hofer to J. D. Pettegrew, Nebraska Power Co., Omaha:

"The Nebraska utilities information committee and the information bureau of the N. E. L. A. can give authentic information on statistics, management, operation, etc., of electric light and power companies. These organizations represent the industry and speak with authority on matters of fact. After such information has been issued it is then a question of getting it commented on editorially and thoroughly understood by the general public.

"At this point our organization begins to function. As an independent publication not directly and primarily affiliated with electric-light companies, but discussing various industrial problems we can take up many legislative, political, taxation, and Government ownership questions and discuss them as they affect public utilities. In other words, a third-party opinion is often accepted with less bias in an editorial discussion than a statement from parties directly interested." [21]

And also in a letter of December 9, 1927, from R. M. Hofer to Charles M. Cohn, vice president, Consolidated Gas, Electric Light & Power Co., Baltimore, Md.:

"It is our endeavor to get a third-party discussion of questions of interest to public utilities from a source dissociated from direct control of the utilities.

"The greatest value of our service is, to the utilities, the fact that the people are reading something about public-service companies other than what is sent out directly by such companies. I feel sure that it pleases you to see a good editorial on utility problems, taxation, or public ownership in a rural weekly or daily paper, which has not been dictated by the utility interests but which expresses views which are sound and with which you can agree. Let something be said about utilities which is not controlled lock, stock, and barrel by the utilities. This helps build up a public understanding regarding fundamentals affecting the utility industry which assures a more open-minded hearing on the part of the people when the industry or an individual company has a case to present in its own behalf." [22]

The utility source of some of this "independent" matter appears in a letter of March 5, 1925, which A. W. Flor, publicity man for the Electric Bond & Share Co., wrote C. E. Groesbeck, vice president of the same company and also a member of the 1924 conference in New York, which arranged for expanding the service to cover the entire country. In this letter Mr. Flor stated that he had gotten in touch with Mr. Hofer when he was in town and spent an afternoon with him preparing a story for use in his service which was sent to 14,000 papers. This story was published in the weekly bulletin and bore the caption "Inevitable rate raise occurs in Cleveland," referring to Cleveland's municipal electric plant.[23]

On March 7, 1928, P. H. Gadsden, vice president of the United Gas Co., wrote to P. S. Young, vice president of the Public Service Corporation, Newark, N. J., expressing satisfaction with the results attained, as follows:

"I have kept in close touch with the Hofer Service and have become very much impressed with the value of the publicity work which is being done. We have on several occasions asked Mr Hofer to send us the clippings for various States in which we were interested, and I have been astonished at the volume of it.

"Recently I spent an hour with Mr. Hofer, going over his work, and I am more than ever satisfied that he is performing a very valuable service not only to the public utilities of the country but to business interests generally." [24]

Thus it would appear that utility executives, both preceding and following Mr. Hofer's statement relative to being "disassociated from direct control of the utilities," admitted their personal interest and activity in the Hofer service.

THE HOFER METHODS HAD THE APPROVAL OF THE UTILITIES

Mr. Hofer's own statements in this respect show how highly he was regarded by the utilities.

On September 27, 1926, R. M. Hofer wrote to I. O. Pettegrew, of the Nebraska Power Co., and stated, referring to his service:

"It is hard to go into its many details in a letter. It is rather embarrassing to make what may seem to you like exaggerated statements about our own work. It has borne the closest investigation, however, of such men as the late Charles A. Coffin, E. K. Hall, S. Z. Mitchell, C. E. Groesbeck, Martin Insull, and many others.[25]

N. E. L. A. also approved this work. The association clipped editorial articles, written by the Hofer service, from local papers and credited the local editor. Concerning the effect of this, Mr. Hofer said:

"Such recognition of a local editor, by an organization as well known as the N. E. L. A., encourages newspaper editors to advocate sound and constructive ideas."[26]

RESULTS ACHIEVED BY HOFER SERVICE

Favorable indirect as well as direct results were apparent soon after the 1924 meeting in New York of Mr. Hofer and utility executives, for the 1925 edition of the annual book published by E. Hofer & Sons contained the following statement:

"There is one effect of our service the importance of which cannot be estimated, namely, its influence in causing editors who read it but never use our articles to consider questions from a more conservative viewpoint and refrain from running much radical material which would otherwise appear in their papers. It has had that effect in many instances which have come to our observation." [27]

And reviewing his work 4 years later, Mr. Hofer stated in a letter to A. W. Flor, publicity director for the Electric Bond & Share Co.:

"The results surpass anything I expected or promised when I first discussed this matter with Mr. Coffin, Mr. Hall, Mr. Groesbeck, and Mr. Mitchell 4 years ago this month in Mr. Coffin's apartment. * * * These results could never have been secured except with the wholehearted cooperation of men like yourself, Mr. Hanscom, Mr. Groesbeck, Mr. Hall, the late Mr. Coffin, and others who took a broad-minded attitude on industrial and public-utility problems involving questions of public relations. We are glad that we could help in securing the outcome recorded." [28]

In correspondence at various times, Mr. Hofer stated the quantity of material reproduced in the rural press from 1924 to 1927, and showed that for 17 months ending October 1924, reproduction in all States was estimated to be 27,000,000 lines or about 25,000 pages; for 1926, the amount of publicity obtained was estimated to be 2,318,964 inches, or about 19,325 solid pages, and for 1927, the total estimated inches were 3,111,420.[29]

Inasmuch as Mr. Hofer testified that the policy of the service was persistently to oppose municipal operation of utility plants and Government operation in business, it is safe to assume that a major portion of the reproduced articles carried this viewpoint, and related particularly to the utilities.

The chart following shows, as far as data were available, the amount of publicity reproduced from the Hofer service for the years 1924–27.

Nothing was offered for the record by the utilities in explanation or excuse of their support of E. Hofer & Sons, and their activities.

Data showing newspaper reproduction of articles from the Manufacturer and Industrial News Bureau, publications of E. Hofer & Sons

State	Year	Number of papers	Inches, measured	Total estimated inches	Total number of lines	Solid pages	Record references		
							Volume	Page	Exhibit No.
All States [1]	[2] 1924				27,000,000	25,000			3844, p. 276.
	1926			2,318,964		19,325	7	242	3852, p. 292.
	1927	12,784	518,570	3,111,420	28,002,780		7	232	3848, p. —.
Iowa [3]	1925		51,384						3852, p. 291.
	1926	613	75,630			630	7	239,240	3852, p. 291.
	1927		1,935,792	7,743,168		64,526			3852, p. 288.
Nebraska [4]	1925	435	31,710			264			3855, p. 300.
	1926		45,948			383			
Nevada	1926		20,000			167	7	242	3852, p. 292.
Pennsylvania	1926	525	68,850			574	7	243	3852, p. 292.
Massachusetts [5]	1926	233	33,246			277	7	245	3852, p. 295.
Maryland, Virginia, West Virginia	1925	391	45,690			381			3858, p. 301.

[1] Summary of material from 14,000 country newspapers receiving Hofer Service (ex. 3848, exs. pts. 7–9, p. 280; pt. 7, p. 232).
[2] 17 months.
[3] 1927 data cover a 4-year period for Iowa (ex. 3852, exs. pts. 7–9, p. 288).
[4] The bulk of the material reproduced in Nebraska newspapers appeared as original editorials (ex. 3858, exs. pts. 7–9, p. 300).
[5] The 233 papers in Massachusetts using this service reproduced the articles verbatim (ex. 3852, exs. pts. 7–9, p. 295; pt. 7, p. 245).

[18] Exs. 3487, 3849, 3862, 3863, 3864, 3867, exs. pts. 7–9, pp. 279, 283, 303, 323, 335; pt. 7, pp. 233, 253, 254.
[19] Ex. 3847, exs. pts. 7–9, p. 279; pt. 7, p. 226.
[20] Ex. 3849, exs. pts. 7–9, p. 282.
[21] Ex. 3858, exs. pts. 7–9, p. 300. See also ex. 5281, pt. 51, p. 689.
[22] Ex. 3854, exs. pts. 7–9, p. 296.
[23] Ex. 3861, exs. pts. 7–9, p. 303; ex. 4465, exs. pts. 10–16, p. 971, pt. 7, p. 252.
[24] Ex. 3852, exs. pts. 7–9, pp. 286, 294.
[25] Exs. 3858, 3867, exs. pts. 7–9, 301, 336; pt. 7, p. 256.
[26] Ex. 3849, pts. 7–9, p. 284; pt. 7, p. 236.
[27] Ex. 3849, exs. pts. 7–9, p. 284.
[28] Ex. 3852, exs. pts. 7–9, p. 291; pt. 7, p. 240.
[29] Exs. 3844, 3848, exs. pts. 7–9, pp. 276, 280.

EXHIBIT 3

THE NIAGARA FRONTIER PLANNING BOARD

On September 29, 1924, at the invitation of Gov. Alfred E. Smith and under the auspices of the State commission of housing and regional planning, a preliminary conference on regional planning for the Niagara frontier was called. Representatives of Niagara and Erie Counties, the cities, towns, and villages in those counties, and of parks, recreation and planning commissions were present.

As a result of this conference the Niagara Frontier Planning Association was formed. A board of directors was set up composed of representatives of the local governments of the Niagara frontier, the chambers of commerce and some private corporations. Paul A. Schoellkopf was one of the original directors, representing the city of Niagara Falls. Among the members of the organization was the Niagara Falls Power Co.

The association had as its purpose the formulation and execution of a regional plan for the Niagara frontier. Its first major task was to sponsor legislation creating a governmental planning board for the region. In 1925 the New York State Legislature passed such a bill, establishing the Niagara Frontier Planning Board. The text of this act, chapter 267 of the Laws of 1925, is appended to this report. In 1927 this law was amended so that the board reports annually to the governor instead of the housing commission.

The newly created board established its headquarters in the same office as the association, both organizations signing a joint lease. The board and the association also shared the same chief engineer and secretary.

The first annual report of the board, covering 1925, states that:

"At the meeting of this board held April 30, the Niagara Frontier Planning Association was requested and invited to cooperate with the board and was officially designated as the body or agency, provided by the enabling act, through which this board may collect and distribute information relative to regional and community planning and zoning in Erie and Niagara Counties" (p. 26).

To meet its expenses, the board requested $5,000 annually from Niagara County and $20,000 annually from Erie County.

One of the studies listed in the board's 1925 report and undertaken at the suggestion of the State housing commission dealt with power and covered these topics:

"Origin and use of fuel for power purposes; changes in kind of power; relation of privately owned and rented power with statistics showing trend; merger of power companies and comprehensive plans, if any, for power distribution" (p. 29).

In its 1926 report the board refers to the association as "its advisory and publicity arm" (p. 7).

The only board reports available were for the years 1925–28, inclusive. In each of them the membership of the association was listed, as well as financial statements of both the association and the board. The receipts of the board are from $18,000 to $25,000 annually from Niagara and Erie Counties. The receipts of the association from its members are about $6,000 or $7,000 annually. The Niagara Falls Power Co. is listed as an association member in each of the reports. Paul A. Schoellkopf is representative of the city of Niagara Falls on the board of directors during the same period. Among the contributing members to the association are the following Niagara Hudson officials: Alfred A. Schoellkopf, Paul A. Schoellkopf, William Schoellkopf, De Lancy Rankine, Stephen Piek, Fred D. Corey.

Another contributing member associated with the Schoellkopfs is Robert W. Pomeroy. Hamilton Ward is also listed as a director and a contributing member of the association.

In addition to the Schoellkopfs, whose connections are well known, the following details may be of interest in connection with others mentioned above.

De Lancy Rankine has been associated with the Niagara Falls Power Co. William B. Rankine was one of the original group which built the first power plants at Niagara Falls.

Stephen Piek is a vice president of Niagara Hudson Power and has for many years been an officer of Syracuse Lighting, Mohawk Hudson Power, and many other Niagara Hudson subsidiaries.

Fred D. Corey organized the Niagara, Lockport & Ontario Power Co. and headed it until his death recently. He also served as an officer of many other Niagara Hudson subsidiaries.

Robert W. Pomeroy is a member of Schoellkopf, Hutton & Pomeroy, the brokerage firm.

"THE NIAGARA FRONTIER PLANNING BOARD

"(Laws of New York, 1925, ch. 267)

"An act to establish the Niagara Frontier Planning Board and to authorize local appropriations therefor

"SEC. 1. There is hereby established the Niagara Frontier Planning Board, to consist of 13 members. The mayors of the cities of Buffalo, Lackawanna, Lockport, Niagara Falls, North Tonawanda and Tonawanda, 3 members of the Board of Supervisors of Niagara County and 3 members of the Board of Supervisors of Erie County shall be ex-officio members of such board. The 3 representatives from each board of supervisors shall be appointed annually by the chairman of the respective board of supervisors, subject to the approval of their respective boards. The thirteenth member shall be elected annually by the ex-officio members and shall serve until his successor is elected. He shall be chairman of the board.

"SEC. 2. The county of Erie and the county of Niagara and all cities, towns, and villages in such counties may, in their discretion, expend out of the public moneys funds to defray the expenses of the board and to further its purposes and may raise by taxation such funds so expended.

"SEC. 3. The members of the board shall receive no salary or compensation for their services as members of such board.

"SEC. 4. (1) The board is hereby empowered to and shall study the needs and conditions of regional and community planning in Erie and Niagara Counties and prepare plans adapted to meet such needs and conditions, and shall, through such agencies as it may designate, collect and distribute information relative to regional and community planning and zoning in Erie and Niagara Counties, and the same is hereby declared to be a public purpose and all moneys expended for such purposes are declared to be for municipal use.

"(2) The board shall make a report to the bureau of housing and regional planning on or before January 1 of each year, together with its recommendation for such legislation as it deems appropriate.

"SEC. 5. This act shall take effect immediately."

MEMBERS OF NIAGARA FRONTIER PLANNING ASSOCIATION AND THEIR CORPORATE AFFILIATIONS

I. Direct representatives of the power industry

Paul A. Schoellkopf: President and director, Niagara Falls Power Co; chairman and director, Buffalo Niagara & Eastern Power Corporation; vice chairman and director, Niagara Hudson Power Co.; director, Canadian Niagara Power Co., Ltd., Manufacturers & Traders Trust Co., Power City Trust Co., Niagara Falls Hotel Corporation, Niagara Junction Railroad.

Jacob F. Schoellkopf, Jr.: President and director, Niagara Share Corporation of Maryland; director, Eastern States Corporation, Bell Aircraft Corporation, Marine Midland Corporation; secretary and director, Buffalo Electro Chemical Co.

Col. William Kelly: President and director, Buffalo Niagara & Eastern Power Corporation; vice president and director, Niagara Hudson Power Corporation, Niagara Falls Power Co., Buffalo Niagara Electric Corporation.

LeGrand DeGraff: President, State Trust Co.; director, Buffalo Niagara & Eastern Power Corporation.

L. G. Harriman: (See Railroad Interests); director, Buffalo Niagara & Eastern Power Corporation.

Judge Daniel J. Kenefick: Partner, Kenefick, Cooke, Mitchell, Bass & Letchworth; director, Buffalo Niagara & Eastern Power Corporation, Buffalo Niagara Electric Corporation, Buffalo, Rochester & Pittsburgh Railway.

Bob Roy MacLeod: President, Niagara Junction Railway; executive vice president, Niagara Falls Power Co.; vice president, Buffalo Niagara Electric Corporation; director, Lower Niagara River Power & Water Supply Co.

Fenton Marion Parke: President, Parke-Hall Co; industrial real estate; Niagara Frontier History says, "Serves as representative of large corporations, such as railroads, steamship lines, and public-utility companies. In fact, they represent nearly every public-utility company in Buffalo."

II. Railroad and lakes transportation interests

Chauncey J. Hamlin, Jr.: Partner, Wood Trubee & Co. (son of Chauncey J. Hamlin, director, Baltimore & Ohio Railroad).

Lewis G. Harriman: President, Manufacturers & Traders Trust Co.[1]; director, New York, Lackawanna & Western Railroad, Terminals and Transportation Co. of America, Buffalo Niagara & Eastern Power Corporation.[1]

Judge Daniel J. Kenefick (see power interests)[1]: Director, Buffalo, Rochester & Pittsburgh Ry.

William James Conners, Jr.[1]: President and publisher, Buffalo Courier Express; chairman of board, Great Lakes Transit Corporation; vice president, Lake Erie Ship Building Co.; director, Marine Trust Co.

Adam E. Cornelius: Chairman, American Steam Ship Co.; partner, Boland & Cornelius (lake transportation); president, Lake Erie Ship Building Co.; director, Marine Trust Co.

Burton L. Gale: Vice president, Manufacturers & Traders Trust Co.[1]; director, Terminals & Transportation Co.

Ansley Wilcox Sawyer: Partner, Dudley Stowe & Sawyer; director, Terminals & Transportation Co., Minnesota Atlantic Transit Co., Bell Aircraft Co.,[1] Buffalo Electro Chemical Co.[1]

III. Interlocking directorates

William Wallace Kincaid: Chairman, Spirella Corporation (corsets); (first vice president, Niagara Frontier Planning Association); director, Power City Bank.[1]; Niagara Falls Hotel Corporation.[1]

Max Becker: President, Gurney-Overturf & Becker, Inc.; director, Buffalo Weaving & Belting Co. (J. F. Schoellkopf, formerly a director).

Walter J. Brunmark: President, J. N. Adam & Co. (department store); director, Manufacturers & Traders Trust Co.[1]

Hector Russell Carveth: President, Roessler & Hasslacker Chemical Co.; director, Niagara Electric Chemical Co.; E. I. du Pont de Nemours (formerly holding St. Lawrence property).

Fred Joiner Coe: President, Power City Trust Co.[1]; director, Niagara Falls Hotel Corporation,[1] Marine Midland Group, Inc.[1]

Alanson C. Douel: President, the Niagara Falls Gazette Publishing Co.; director, Power

[1] Interlock with power interests through a Schoellkopf sitting on the same board.

City Trust Co.[3]; vice president, Niagara Hotel Corporation.[2]

Walter A. Yates: President, Yates Lehigh Coal Co.; director, Bell Aircraft Corporation [1]; (his father, Harry Yates, formerly on Board of Planning Association, was president of Buffalo, Rochester & Pittsburgh Ry.).

IV. No connection or connection unknown

Dr J. Albert Hobbie, president, Niagara Frontier Planning Association.

A. Hart Hopkins, second vice president, Niagara Frontier Planning Association.

Henry J. Turner, secretary, Niagara Frontier Planning Association.

Miss T. Sedweck, executive secretary and treasurer, Niagara Frontier Planning Association.

Andrew S. Butler, chairman and president, McDougall Butler Co., Inc.

Dr. Walter C. Behrendt.

Joseph M. Boehm.

Edward R. Butler, editor and publisher, Buffalo Evening News; director, Marine Trust.

Maj. Albert B. Cole.

Edward F. Entwisle.

Eugene P. Forrestel, president, Cold Spring Construction Co., Akron, N. Y.; president, Bank of Akron.

Ray Hoffman.

Evan Hollister, member, Babcock, Hollister, Newbury & Russ (grandfather in lake freighting business).

Reginald P. Long, Insurance Education Service.

Edward P. Lupfer.

Elmer L. Markham.

Daniel H. McCarriagher.

Col. George S. Mimmiff.

Martin F. Murphy.

Harry L. Noyes.

Newell L. Nuffbaumer.

Robert L. Rice, Niagara Falls.

Roswell T. Rosengran.

Edwin J. Schwamhausser.

Elwin G. Speyer.

John T. Symes, president, Niagara County National Bank & Trust Co., Lockport, N. Y.

George F. Unger.

Charles A. Upson, Tonawanda.

Dow Vroman, North Tonawanda.

Ansley Wilcox III, Niagara Falls.

Frederick K. Wing.

Chester W. Wright.

Farney Worlitzer, Tonawanda, president, Rudolph Wurlitzer Co., Cleveland.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFCER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Bilbo	Hall	Revercomb
Brewster	Hatch	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Smith
Butler	Johnson, Calif.	Stewart
Byrd	Johnson, Colo.	Taft
Capper	Kilgore	Thomas, Okla.
Caraway	La Follette	Tunnell
Chandler	Langer	Vandenberg
Clark, Idaho	Lucas	Wagner
Clark, Mo.	McClellan	Walsh
Connally	McFarland	Weeks
Cordon	McKellar	Wheeler
Danaher	Maloney	Wherry
Davis	Maybank	White
Downey	Mead	Wiley
Ellender	Millikin	Willis
Ferguson	Murray	Wilson
George	Nye	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

House bill 3961 is still before the Senate and open to further amendment.

Mr. REED. Mr. President, I desire to address myself for the next 10 or 15 minutes to a situation which it is hard to understand. Here is a presumably responsible legislative body indulging in a financial orgy which it is difficult to reconcile with the conditions facing the Nation. One would think from the way we are appropriating money that we had an overflowing Treasury, that we were out of debt and were reducing our taxation to the vanishing point. As a matter of fact, at the end of this war we will have a debt so great that nobody yet has been able to present any practicable plan of handling it and keeping the Government solvent on the basis of taxation the people can stand. Yet, in the face of that situation, last week we passed a bill which calls for an expenditure of a billion dollars, which might be extended in the discretion of the Army engineers beyond that amount, and we have under consideration now a bill which on its face calls for an expenditure of about half a billion dollars, and, by the same token, that half billion dollars can be extended under the discretion of the engineers beyond any further approval of the legislative body to a billion dollars. So, here we are in the midst of a great war, spending days and weeks to pass these bills, which shock the sensibilities when we consider the financial condition in which we shall find this country when the war ends.

I desire to refer to a few specific instances. In the bill under consideration there appear several projects certainly of doubtful virtue. Take what is known in the bill as the Santee-Congaree proposal, the Beaver-Mahoning Canal, which was defeated, the Alabama-Coosa proposed water improvement, and the Tennessee-Tombigbee project, which was defeated for the third time. Aggregate those four items, and it will be seen that they represent a total expenditure in excess of $200,000,000, and might run considerably more than that.

Those are mostly transportation projects, and I wish to return to them and discuss them before I conclude. But I am thinking of the state of mind of a legislative body which is willing to spend time in considering and debating and voting upon these projects, some of which have been repeatedly defeated. Three times in my service in this body has the Tennessee-Tombigbee proposition been defeated.

Mr. President, why do we consider these matters? Wholly upon a questionable recommendation of the Army engineers. There was a time when a recommendation of the Army engineers had the hallmark of merit and integrity. There was a time when we could take the recommendation of an Army engineer board almost for granted. That is no longer true. If a private company, promoting the Tennessee-Tombigbee project, were selling stock and using the United States mails in the sale of the stock, based upon the report of the Army engineers, such a company could be prosecuted for using the mails to defraud. That is how bad this gets, and how far it goes.

Far from the Army engineers' reports continuing to be careful, professional, and impartial, Army engineers, as pointed out by the distinguished senior Senator from Michigan, in some specific cases, have become advocates of what I might almost call promoters of these projects, promoting them in order to please certain sectional or regional interests. The same comment could be applied to the Beaver-Mahoning project.

Now I wish to come to a discussion of the Missouri River. The flood-control bill the Senate passed last week contained an appropriation of $200,000,000 for the development of a so-called comprehensive plan for the Missouri River. So far as that actually goes in connection with flood control, I find no fault with it, but the truth is that hidden away in the dealings in regard to the Missouri River is the constant pressure from certain limited but powerful interests in St. Louis, in Kansas City, and in Omaha for navigation. The talk there is for a 9-foot channel in the Missouri River from Sioux City to the mouth. Flood control is a secondary issue.

Mr. President, that is purely a transportation matter. Let me tell my colleague how much traffic moves on the Missouri River. For years there has been a 9-foot channel in that river from the mouth of the Missouri above St. Louis up to Kansas City and on almost to Sioux City. Preceding this period there was a 6-foot channel.

In 1937 there were moved on the Missouri River 43,000 tons of traffic. There was additional movement of sand and materials used for construction. I am now talking about commercial traffic.

In 1938 the movement amounted to 158,613 tons. In 1939 it amounted to 115,838 tons. In 1940 it amounted to 45,834. In 1941 it amounted to 143,835 tons. In 1942 it amounted to 59,151 tons.

In 1936, when Joseph Eastman was Coordinator of Transportation, he made a report which showed that it cost the Government, the taxpayers, 24 cents a ton-mile for every ton of traffic that moved on the Missouri River, while the entire railroad freight rate averaged about 9 mills a ton-mile. There is little of this river transportation that is justified. It is only cheap because it is paid for by the taxpayers.

For years the Army engineers have been pointing out that with a 9-foot channel there would be 8,000,000 tons of traffic a year moving on the Missouri River, and the last year for which I have figures, 1942, there were 59,151 tons, about one-twentieth of what the engineers constantly forecast.

If a private company were promoting the Missouri River, seeking to induce people to invest money based on the report of the Army engineers, they would be subject to prosecution by the Post Office Department for using the mails to defraud, and, if they undertook to float securities, the Securities and Exchange Commission would ban them.

Mr. President, that is the kind of a situation we are in, condoning and ap-

proving such things, and to that extent we are not living up to our full obligation to the people of this country.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. DAVIS. The Senator made a statement as to the tonnage on the Missouri River, and the cost per ton. What was the cost?

Mr. REED. The cost to whom?

Mr. DAVIS. To transport the tonnage from St. Louis to Kansas City.

Mr. REED. The taxpayer was paying 24 cents, money out of the Public Treasury, for every mile that every ton moved on the Missouri River. The shipper himself paid less than a cent a ton-mile. The taxpayer paid the rest.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. The Senator's argument, as I understand it, amounts to this, that he is opposed to any inland-waterway transportation as opposed to the railroads.

Mr. REED. No; I shall discuss that, if the Senator from Missouri will have patience.

Mr. CLARK of Missouri. I have had a great deal of patience, first and last, with the Senator from Kansas, and I intend to have patience with him so long as I shall remain in the Senate, and we will always be friends, whether I am in the Senate or not, but I understand that what is actually happening here is that the Senator from Kansas is making an attack on the whole theory of inland-waterway transportation as opposed to the railroads.

Mr. REED. No; and before I conclude, Mr. President, I hope to enlighten the Senator from Missouri, if the Senator from Missouri can be enlightened upon this subject.

Mr. CLARK of Missouri. If the Senator does, it will be the first time the Senator from Kansas ever enlightened me on that subject, I will say.

Mr. DAVIS. Can the Senator tell me the cost of transporting the same tonnage by rail from Kansas City to St. Louis?

Mr. REED. An average of 9 mills per ton-mile, as against 24 cents per ton-mile paid by the taxpayers. Just as the junior Senator from Wyoming [Mr. ROBERTSON] pointed out in the Beaver-Mahoning case, it would be cheaper to build a railroad and let the Republic Steel Co. and the Youngstown Sheet & Tube Co. use it, rather than build the canal proposed in that case. It would be cheaper for the Government to pay the freight on this commercial tonnage which moves on the Missouri River, and shut the Missouri down. We have spent $100,000,000, in round figures, on the Missouri River in trying to make it navigable from its mouth to Kansas City. We have spent already, in round figures, $1,000,000,000 upon our so-called inland waterway system for navigation purposes. Some of that expenditure is justified.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. Does the Senator's breakdown show where that money has been spent?

Mr. REED. I am unable now to give that information. It can be furnished.

Mr. AIKEN. I think the report of the Army engineers would show that that money has been spent mostly on the lower Mississippi River. I had the breakdown here the other day myself.

Mr. REED. One hundred million dollars, in round figures, has been spent on the Missouri River——

Mr. AIKEN. Well, $100,000,000 is not anything. Does the Senator from Kansas think that $100,000,000 is any amount of money?

Mr. REED. In these days, I fear not. I am trying in my feeble way, and with my humble best, to point out the extravagances which I think are not justified.

Mr. AIKEN. I think the Senator will find that three or four hundred millions dollars have been spent in all the rest of the country.

Mr. CLARK of Missouri. Mr. President, if the Senator from Kansas will permit me to say so—and I do not wish to interrupt the thread of his oratory, because I always enjoy hearing him, whether I agree with him or not—I do not think that the amount expended on the Missouri River from the mouth of the Missouri to Kansas City would exceed $60,000,000. As I have said, I am always reluctant to take issue with my dear friend, the Senator from Kansas, because I know that he usually is right, but I do not believe—and I have examined the figures exhaustively myself—that the amount that has ever been expended on the Missouri River as such between the mouth of the river and Kansas City will exceed $60,000,000 or $65,000,000. The Senator referred a moment ago to $1,000,000,000.

Mr. REED. The total amount I have in mind as having been spent on the Missouri River from the mouth to Kansas City, inclusive, is about $100,000,000, and probably an equivalent amount, or approximately an equivalent amount, has been spent north of Kansas City in order to carry forward the 9-foot channel project as far as Sioux City.

Mr. CLARK of Missouri. Of course, the Senator well knows that there has been an additional amount expended between Kansas City and Sioux City on the Missouri River.

Mr. REED. Yes.

Mr. CLARK of Missouri. As a matter of fact, the total expenditure on Fort Peck might be attributed to navigation on the Missouri River, because it was the avowed intention of Congress when it adopted the Fort Peck project, that that project should have to do with navigation. It not only involves navigation, it involves flood control and a great many other things in which the Senator's people were as much interested as my own people.

Mr. REED. I am trying very hard to separate and keep the flood-control question separated from the awful waste of money on these impossible inland rivers from a navigation standpoint.

Mr. CLARK of Missouri. They cannot be separated.

Mr. REED. Oh, I disagree entirely with the Senator from Missouri on that point. I know that money has been spent for both purposes, but I think we can distinguish between what part of the expenditure is made for navigation and what part for flood control. I went down to the Tennessee Valley about 6 weeks ago and spent 3 or 4 days with David Lilienthal, to study the Tennessee Valley Authority, because a proposal had been made to establish a new T. V. A., or an M. V. A., comparable to the T. V. A., on the Missouri, as the Senator from Missouri well knows, and to which he is opposed. Mr. Lilienthal told me, and I think he printed in his book, that of the expenditure for the T. V. A., which aggregated about $765,000,000 in all, about 65 percent was for power, 20 percent, as I recall, was for flood control, and 15 percent was for navigation. As anyone who undertakes to deal with these things knows, it is necessary to use more or less arbitrary factors in making the allocations. There is no way to escape that. I am quoting that, however, to illustrate that even the T. V. A. makes separation as between power, flood control, and navigation.

Mr. CLARK of Missouri. Mr. President, will the Senator again yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. Of course, I would not question the ability of the Senator from Kansas to put in 3 or 4 days in consultation with Mr. Dave Lilienthal upon the Tennessee Valley and arrive at a complete solution of the Missouri Valley. I myself happen to live in the Missouri Valley, and I am much more interested in the Missouri Valley than probably Mr. Lilienthal is. I live at the place where the Missouri River flows into the Mississippi, and for that reason I am possibly more interested in the Missouri Valley than is the Senator from Kansas. I do not question the ability of Mr. Lilienthal or the Senator from Kansas to have 3 or 4 days' conversation, or for the Senator from Kansas to read Mr. Lilienthal's book. He said he read something in Mr. Lilienthal's book. I happen to live at the confluence of the rivers, and I am much more interested in what actually happens in the Missouri Valley, particularly at the mouth of the Missouri River where it empties into the Mississippi, than I am in Mr. Lilienthal's theories.

The Senator from Kansas has apparently been tremendously impressed, after 3 or 4 days' conversation, with Mr. Lilienthal.

Mr. REED. Mr. President, nothing I have said indicates to the slightest degree any expression of mine or any feeling of mine or any attitude of mine toward the application of a T. V. A. theory to the Missouri Valley. I went down to the T. V. A. to take a look at it to increase my fund of general information upon matters of this kind, because the President and others had suggested the application of the T. V. A. plan of organization to the Missouri Valley. I may say now, to clear that up, that I am presently opposed to it. If

the Senator from Missouri has read the Kansas City papers he would know that.

Mr. CLARK of Missouri. Mr. President, let me again ask the Senator from Kansas a very fair question. Is the Senator opposed to the Missouri River navigation project?

Mr. REED. I am opposed to wasting taxpayers' money on the impossible economic project of trying to make the Missouri River an economic and efficient agency of transportation, yes.

Mr. CLARK of Missouri. Let me ask the Senator more specifically is he opposed to the Missouri River navigation project as a measure of regulation of the railroads of the United States?

Mr. REED. If river navigation can be produced as a byproduct of either power, or irrigation, or flood control, then of course it would be wise to take advantage of navigation to the extent to which it can beneficially be taken advantage of.

Mr. CLARK of Missouri. But the Senator is opposed to Missouri River navigation?

Mr. REED. In and of itself, yes. It represents a waste of money. It always has represented a waste of money. It represents a waste of money now. The Senator will not find any well-informed Army engineer who ever thinks it can be justified. I do not mean to say that Army engineers will not continue to press it, but I do say that no Army engineer with whom I have ever talked—and I have talked with some high ranking ones—ever thinks that the Missouri River can be made a successful and efficient agency of transportation.

Mr. CLARK of Missouri. I was simply trying to develop the Senator's position. If the Senator's position is in absolute opposition to Missouri River navigation——

Mr. REED. I do not need my good friend the Senator from Missouri to state my position.

Mr. CLARK of Missouri. I am not trying to state the Senator's position. I am trying to develop it.

Mr. REED. I will develop my own position. If I have any command of the English language I shall develop my own position. I really do not need the Senator from Missouri to help me in that matter.

Mr. CLARK of Missouri. Mr. President, what I was really trying to do was to find out if I could, whether the Senator from Kansas was in absolute opposition to the Missouri River navigation project, in which case I want to go down and get a shave, because I am sure the Senator will not be able to develop enough votes against it. Otherwise, I want to stay and listen to the Senator's argument.

Mr. REED. Mr. President, I thought that because, as the Senator from Missouri expressed it, of the charm of oratory of the Senator from Kansas, the Senator from Missouri was going to stay for the sheer pleasure of listening. I see that I was mistaken.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Montana.

Mr. WHEELER. So long as we are discussing navigation, let me say that I stated on the floor of the Senate the other day that I have always voted for navigation. But those who really get the benefits from navigation are the big oil companies, the big cement companies, and the big lumber companies.

Along that line, let me call attention to some testimony which was given in a hearing before the Interstate Commerce Commission held in Memphis, Tenn., in February 1939, on Fourth Section Application No. 17430, involving rates on gasoline and kerosene from Baton Rouge to Alabama points. A Mr. A. M. Stephens, general traffic manager of the Standard Oil Co. of Kentucky, testified as follows:

We do not take into consideration any evaporation charges in connection with any service we made for any individual terminals, because we find that on all of our inland waterways terminals we amortize this investment; as to our inland-waterways terminals, we usually amortize them within 2 or 3 years. In other words, the money we make on our water terminals, we put in our pocket. We don't pass it on to the consumer. No other oil company does, that I know of, except where there is price competition, and naturally, in that condition, we have a depreciation set-up that may last for 10 years, but in the meantime we have fully amortized the investment shown in our accounting procedure, and the economy that we realize is credited to the profit-and-loss account for margin.

We have such a great savings in our waterways terminals, inland-waterways terminals, that we eliminate entirely evaporation, and insurance, in all of our calculations. That enters into our general account, by reason of the great number of water terminals operating at the present time on the South Atlantic coast, the Gulf coast, and the Ohio River, and the evaporation loss, from our aggregate figures, is less than 40 points; in other words, it is less than one-half of 1 percent. I have the figures here showing our evaporation losses in connection with all of our transportation to these Ohio River points which I have indicated, and I will be glad to file them for the record if they are so desired, because they do bear out my statement that our evaporation losses are less than one-half of 1 percent of the total.

On cross-examination the following occurred:

Question. (By Mr. Beck). Mr. Stephens, with regard to the possibility of imposition of tolls on these rivers, has that received the full consideration of your company in dealing with these matters? That is, do you view things like that for any particular time in future?

Answer. Oh, yes. We exercise our judgment and foresight in the consideration of all of these matters. We have found that none of the other companies are passing any of this money on to the consuming public.

Now, as an instance in mind, I have before me at the present time a statement of the market price delivered to points in northern Georgia, to which you move gas out of Guntersville, for instance, at Dalton when you first began operation the market price at Dalton was 18 cents; that is the posted market on May 8, 1938. In December 1938 it was 17.5 reflecting a reduction in the refined market at Shreveport and the Gulf coast, and it represents a one-half cent reduction entirely in the tank price so far as dollars are concerned. In other words, Mr. Beck, we have not seen any passage of this savings to the consuming public. We have examined the markets at Dalton, Fort Wayne, Cedar Bluff, etc., and we have not found that any of that has been passed on to the consumer.

Question. And there are other cases though where you could find just the opposite conditions?

Answer. No; I have not. I have tried to but I cannot.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. SHIPSTEAD. In view of what the Senator from Montana has said, I should like to call attention to a very important point.

One reason for the fact that no benefit has been passed on to the consumer is that private carriers on the waterways of the Great Lakes and the Mississippi have not been regulated. They have been given the free use of the rivers and lakes. They have not been regulated because they are private and contract carriers. Under the Transportation Act of 1940 we put the common carriers under the Interstate Commerce Commission; and lower rates, and joint rates, rail and water, were arranged for by some of the barge lines.

Mr. CLARK of Missouri. Very much against our protest.

Mr. SHIPSTEAD. That traffic involved carrying grain into the Chicago market by water and east by rail. The railroads went to the Interstate Commerce Commission and had those joint rates wiped out. The shippers appealed to the Supreme Court, and the Supreme Court held that it had no jurisdiction in the matter, because under the system of administrative law the Interstate Commerce Commission had been given full authority, and the Court could not intervene.

Until we have honest regulation of carriers the large corporations which own private carriers will have a monopoly of the use of the waterways on which we have spent hundreds of millions of dollars. That is the answer to the question as to why the public has not benefited from water transportation. It is the fault of the Congress and of the Interstate Commerce Commission that there has not been honest regulation of carriers so as to affect the water rate to the consumer and the producer. Wherever there is competition, of course, the consumer gets the benefit; but private and contract carriers get together and fix their own rates, and usually there is no competition.

Mr. REED. Mr. President, I ask my colleagues to indulge me. If they wish to make speeches, I ask them to do it in their own time. They can obtain the floor, just as I have done. I shall be very happy to answer any question to develop any point which any Senator wishes to develop.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. I call attention to the fact that when submarine warfare caused a cessation of shipments of oil and gasoline by water in early 1942, the Government began paying a subsidy, as I recall, in July of that year. Before we finished paying that subsidy we had

spent $206,000,000 of the taxpayers' money, and had allowed an increase of 1½ cents a gallon in the price of gasoline to make up the difference. That must have amounted to three or four hundred million dollars more. So if the previous saving had not been passed on to the consumer, it means that the $206,000,000, plus the three or four hundred million dollars which was received from the increase in price, must have represented "velvet" to the oil companies.

Mr. WHEELER. I have not the slightest doubt that that is correct. They certainly have not passed on the savings. They put them in their own pockets.

I agree with what the Senator from Minnesota has said with reference to the case he had in mind. Neither the farmers nor the consumers have had the benefit of water transportation. The middleman, the elevator companies, and the big shippers have reaped the benefits; but they have never passed on the savings to the farmers or to the consumers in any instance of which I know.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. Mr. President, is the Senator from Montana aware that about 90 percent of the traffic moving on the rivers, consisting of coal, steel, oil, and other products, belongs to the manufacturers or great producers who own the boats?

Mr. WHEELER. Of course.

Mr. REED. Ninety percent of the traffic moving on the inland waterways belongs to the manufacturers or producers, who also transport it.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. Mr. President, of course, the view I take is different from the one taken by the Senator from Vermont or the Senator from Montana. I doubt if the Senator from Vermont has ever been within 600 miles of the Mississippi Valley, and certainly the Senator from Montana passes through it as quickly as he can, and does not care anything about the Mississippi as we know it. But the Senator from Kansas must certainly know that the establishment of even one project on the Missouri River has meant immeasurable advantages to the people of the Missouri Valley in the way of the establishment of water freight rates which are competitive with railroad freight rates, and has meant such advantages not only to the big shippers but to the farmers and industrialists in the Missouri Valley. If the Senator does not know that, he has not taken the trouble to read the testimony of the representatives of the Mississippi Valley Association and of the mayor of Kansas City and of the mayor of Omaha and of other leading citizens before the Committee on Commerce in the recent hearings on this very bill. I would call the attention of the Senator to that testimony on this very question.

Mr. REED. Mr. President, the trouble with the statement of the Senator from Missouri is that although the testimony may show it in some degree, it is not a fact.

Mr. CLARK of Missouri. Mr. President, let me interject that the Senator from Vermont has just told me he once read Tom Sawyer.

Mr. REED. Mr. President, the fact is that 90 percent of the membership of the Missouri Valley Association represents the middlemen, those who are in between, who receive the benefit of such developments. The Missouri Valley Association does not represent the farmers of Kansas or the farmers of any other State or the shippers of any other State.

Let me say to the Senator from Vermont that when it comes to moving gasoline from Gulf ports around to Atlantic ports, of course, the cheapest method of transportation is by tanker, and the tankers moved nearly all of the gasoline. The next cheapest method is by pipe line. The most costly method, both in respect to method and charge, is by railroad.

I do not wish the Senator from Missouri to forget a matter which I think is very much to his credit. When there came up on the floor of the Senate a few years ago the proposition of subsidizing the gasoline users of the East to the extent of the increased cost of transportation of gasoline to the East, there were three Senators who voted against it. One was the Senator from Missouri [Mr. CLARK]. Another was the Senator from Virginia [Mr. BYRD]. I was the third Senator who did so. We were the only three Senators to stand up in this body and to say that because there had come about an increase in the transportation cost of gasoline, due to war conditions, the Government should not step in and subsidize the consumers of gasoline to the extent of paying the difference between the freight rate for transportation by tanker and the freight rate for transportation by railroad. If we are to subsidize one class of consumers or one section of the country because of wartime disturbances, where shall we stop? Soon we would be doing it for everyone.

Mr. CLARK of Missouri. Mr. President, will the Senator yield at that point?

Mr. REED. I yield.

Mr. CLARK of Missouri. I entirely agree with what the Senator has said about the matter of subsidizing consumers in respect to the increased charges for the transportation of gasoline. I take that position for the reason which was assigned at that time. But, Mr. President, it is a well-recognized fact that the establishment of water freight has a regulatory effect on rail freight.

It seems to me that the question we are now determining is whether the great interior section of the country—Kansas, Nebraska, Iowa, Missouri, and the other States which make up the great Missouri Valley—shall be discriminated against by means of the arbitrary power of the railroads to impose any sort of freight rates they please, or whether we shall establish some sort of basis, such as water-freight rates unquestionably do establish, to ameliorate the arbitrariness of the railroads. It seems to me that is the only question which is involved in this whole proposition.

Mr. REED. Mr. President, the Senator from Missouri knows, or should know, that I have tried more freight-rate cases affecting the grain and farm products of the farmers of Missouri and Kansas and the rest of the West than have all the rest of the men in Kansas and Missouri put together.

Mr. CLARK of Missouri. I am entirely acquainted with the experience of the Senator from Kansas, because I have heard him repeat it on numerous occasion in committees of which we were members. It also happens that I have tried a number of cases for railroads, and when I get out of the Senate I may try more cases for railroads; at least, I hope I shall.

Mr. REED. I share the hope that the Senator from Missouri will gather a lot of good clients when he goes back to the practice of law.

Mr. CLARK of Missouri. But, Mr. President, the point is—and this is what the Senator from Kansas cannot deny—that the establishment of water freight rates has an ameliorating influence on rail freight rates to inland points. That has been repeatedly proved. The only argument which has been seriously advanced against the development of an inland-waterway system in this case has been advanced on behalf of the railroads—of course, I do not mean this in any slurring sense—and it has been advanced in the Senate by the Senator from Kansas and the Senator from Montana.

Mr. REED. Mr. President, we have spent a billion dollars on our so-called inland-waterway transportation system. If we were to take the Monongahela around Pittsburgh, part of the Ohio, at least, the lower Mississippi, and perhaps some other selected points, I think we might economically justify the expenditures made upon those rivers. But when we come—and I wish the Senator from Montana were here now—to the matter of ascertaining the real situation, we find that the most important factor in the traffic which moves on the Ohio is the transportation of coal, and the next is the transportation of steel. During the lifetime of the Guffey Coal Commission, it was possible to move coal from Pittsburgh to Cincinnati, let us say, either by water or by rail or by truck, but the price for the coal in Cincinnati was exactly the same. It made no difference how the coal was moved, whether by truck on the highway, or by railroad, or by barge on the river. The consumer in Cincinnati paid exactly the same price for the coal, and he is doing it today. He will do it so long as the large producers of coal, with their facilities, can control that situation.

I desire to proceed now with my statement, Mr. President. I have already consumed considerably more time than I thought I would.

I wish to make this definite statement to the Senator from Missouri. Beginning in 1921, over a period of approximately 12 or 13 years, I managed the presentation of more freight-rate cases affecting grain and hay for all the Western States, all the way from Chicago to the ocean, than did all the other men in my section of the country combined, and in not a single instance was there ever

developed the slightest evidence that the waste of money made in attempting to create a 9-foot channel on the Missouri River affected the freight-rate charges made by the railroads upon grain or hay to the slightest degree. It has never been claimed that it has done so.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. REED. I am attempting to conclude my speech, but nevertheless, I yield to the Senator.

Mr. CLARK of Missouri. Let me ask the Senator how long the 9-foot channel has been authorized? He has been talking about the millions of dollars which have been wasted on the 9-foot channel. How long has the 9-foot channel been authorized?

Mr. REED. I cannot give the Senator the exact date of authorization.

Mr. CLARK of Missouri. It never has been authorized. That is the particular authorization carried in the pending bill.

Mr. REED. No; the bill provides for the authorization of the channel all the way to Sioux City. A 9-foot channel has been authorized as far as Kansas City.

Mr. President, having spent a billion dollars and having included in these two bills authorizations for the expenditure of another billion dollars which may be spent for transportation on inland waterways, let us see how important they are in the whole transportation picture. In 1943, 2.8 percent of the commercial freight traffic of the United States was handled on the inland waterways. We already have spent a billion dollars. We are making plans to spend another billion dollars—what for? For 2½ percent of the total traffic. Of that 2½ percent, 90 percent is made up of coal or steel or oil which belongs to the large companies, and those companies take or keep whatever so-called savings in transportation are made. The savings do not go to the consumers.

I wish I could have had time yesterday to support the Senator from Wyoming in the statement which he made that before we waste more money we should have some authority more competent than the Army engineers to pass judgment upon the necessity for additional transportation facilities.

Mr. President, under our scheme of things one cannot start operating a commercial truck without first obtaining a certificate of convenience and necessity. If he wishes to start operating a truck for hire, it is necessary that he first obtain authority to do so. One cannot commence operating a radio station without first obtaining authority from the Federal Communications Commission. One cannot build a new railroad, or operate a common carrier boat on a river, without first obtaining a certificate that such operations are necessary. In no direction, except in the present instance, do we run hog wild and spend money by the hundreds of millions of dollars without a check or a determination having first been made by some competent person or competent body that the additional transportation facilities, which would be created by the expenditure sought to be made, are necessary.

Let us leave out of consideration whether the facilities are to be supplied by railroads, highways, the airways, pipe lines, or whatever they may be. If the Public Treasury is to furnish money for the purpose of creating additional transportation facilities, there should be a definite finding by some competent authority that such additional transportation facilities are necessary.

As every student of transportation knows, the fact remains that when the war is over we will have more transportation than we will know how to use. It is proposed to spend as much as a billion dollars upon the least efficient of any form of transportation without any determination having been made by any competent source that the additional transportation facilities sought to be furnished are necessary. That kind of a policy just does not make sense.

I care not whether we look at it from the standpoint of the railroads, from the standpoint of the highways, from the standpoint of the airways, or from what standpoint, it is taking taxpayers' money without due precaution that the expenditure is necessary or even wise.

Mr. President, I make this additional observation: I have heard it said that the proposed inland waterways would be a magnificent aid to the war effort. That is not true. Less traffic is now being handled on the inland waterways than was handled on them at the beginning of the war. I hold in my hand an annual report issued by the Inland Waterways Corporation. It is the last report available. From 1942 to 1943 the total traffic of the Inland Waterways Corporation declined, expressed in tons, 14 percent. In 1943 the Inland Waterways Corporation handled only 1,932,000 tons as compared with 2,213,000 tons in 1942.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. The St. Lawrence River is not included in the list to which the Senator from Kansas has referred.

Mr. REED. It is not included. The Senator is correct.

I make a statement which is true generally, with some exceptions, that during the war river traffic has actually declined. Instead of it being of help to the war effort, instead of it relieving other transportation agencies, the traffic handled on the rivers, generally and broadly speaking, has declined during the war.

Mr. REED subsequently said: Mr. President, it had been my intention, when I addressed the Senate earlier today, to ask permission to insert a table showing the distribution of commercial freight traffic in the United States. I omitted to do so, and I ask unanimous consent now that I be permitted to insert at the close of my remarks the table which I send to the desk.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Distribution of commercial freight traffic in the United States*[1]

[Millions of ton-miles]

Mode of transport	1923	1928	1939	1940	1941	1942	1943[2]
Steam railroads	416,256	436,087	335,375	375,369	477,576	640,992	730,000
Rivers and canals	7,100	9,336	19,937	22,412	26,815	26,398	25,000
Oil pipe lines	16,500	27,500	63,107	67,270	77,818	84,480	100,000
Trucks	10,000	20,000	43,000	51,003	57,123	50,207	47,000
All other[3]	1,200	1,250	736	863	1,022	1,230	1,400
Total	451,056	494,173	462,155	516,917	640,354	803,307	903,400
PERCENTAGE DISTRIBUTION							
Steam railroads	92.3	88.2	72.6	72.6	74.6	79.8	80.8
Rivers and canals	1.6	1.9	4.3	4.3	4.2	3.3	2.8
Oil pipe lines	3.6	5.6	13.6	13.0	12.1	10.5	11.1
Trucks	2.2	4.0	9.3	9.9	8.9	6.2	5.2
All other[3]	0.3	0.3	0.2	0.2	0.2	0.2	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Does not include traffic on Great Lakes or intercoastal and coastwise traffic.
[2] Preliminary; partially estimated.
[3] Interurban electric railways and air carriers.
Source: Compiled from official sources by Bureau of Railway Economics, Association of American Railroads.

FREEZING OF PAY-ROLL TAXES AT 1 PERCENT

Mr. GEORGE. Mr. President, I very much hesitate to ask that the unfinished business be temporarily laid aside. I know how diligently the Senator from Louisiana [Mr. OVERTON] has been in handling the pending bill. I wonder if it would be appropriate to inquire if there are other speeches to be made on the river and harbor bill, or other amendments to be offered. If not, the consideration of the pending bill might be brought to a speedy conclusion.

Mr. AIKEN. Mr. President, I may say that there are other speeches to be made on the river and harbor bill, and at least one other amendment is to be offered. I will state further that the speeches will consume 4 or 5 hours. Several Senators are expected to speak this afternoon. Only one of them, the Senator from Wisconsin [Mr. LA FOLLETTE] has spoken.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. OVERTON. I should like very much to accommodate any Senator, but, as I have said before, time is of the very essence in passing the pending bill, if it is to be passed at all. I hesitate to delay matters until Senators can go away and prepare speeches to be delivered later. I think they should be ready to make any speeches which they desire to make. I should prefer that consid-

eration of the pending bill continue, and that it come to a vote, or that some amendment be offered to it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AIKEN. The Senators to whom I have referred are ready to speak, and I suggest the absence of a quorum.

Mr. GEORGE. Mr. President, I do not yield for that purpose.

The PRESIDING OFFICER. The Senator from Georgia [Mr. GEORGE] declines to yield.

Mr. GEORGE. Mr. President, in the circumstances, since it is obvious that there can be no conclusion today of the river and harbor bill, I should like to ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1384, House bill 5564, to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia?

Mr. OVERTON. I object temporarily, for I should like to obtain some information. May I ask the acting majority leader whether under these circumstances we cannot hold a session tomorrow?

Mr. HILL. I will say to the distinguished Senator from Louisiana that of course the Senate could meet tomorrow, and I will cooperate with the Senator to the limit of my ability, and if he decides later this afternoon that he feels that the Senate should hold a Saturday session I shall be delighted to cooperate with him in that matter.

Mr. OVERTON. There is no question in view of the declaration made by the Senator from Vermont [Mr. AIKEN] that we should have a session tomorrow, and we ought to continue as late this afternoon as we possibly can.

Mr. HILL. If the Senator from Georgia will yield, I should like to say that I shall cooperate to the fullest with the Senator from Louisiana in complying with his wishes as to the pending bill and as to a session tomorrow and as to a late session this afternoon.

Mr. OVERTON. Mr. President, of course I realize the great importance of the bill the Senator from Georgia desires to have considered. I understand from him that debate on it will not exceed possibly 35 minutes, if that long.

Mr. WAGNER. The debate will take longer than that.

Mr. GEORGE. Not on the part of those who favor the proposal. I do not know how much opposition there may be, but it should not take long because three times the Senate has passed upon this same question.

Mr. OVERTON. I inquire if the bill can be completed this afternoon?

Mr. GEORGE. I should certainly hope so.

Mr. HILL. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. HILL. It would certainly be my thought that the Senate should remain in session at least until it has finished action on the bill the Senator from Georgia now asks to have considered, the so-called social-security bill, and also until the Senate has acted on the bill which the distinguished Senator from New Mexico [Mr. HATCH] desires to call up, namely, the bill extending the Second War Powers Act.

Mr. HATCH. Mr. President, will the Senator from Georgia yield to me?

Mr. GEORGE. I yield.

Mr. HATCH. There is on the calendar a bill extending the Second War Powers Act. There is no more important bill before the Congress than that. I had understood, if the request of the Senator from Georgia were agreed to, that we might immediately, after completion of consideration of his bill, proceed to the consideration of the bill extending the Second War Powers Act. If that is not understood, Mr. President, I shall object to any other bill coming up in preference to it.

Mr. HILL. Mr. President, if the Senator from Georgia will yield, I will say to the Senator from New Mexico that of course the Senate can consider only one bill at a time. It is certainly my intention that immediately after the conclusion of the consideration of the social-security bill the Senate shall then proceed to the consideration of the bill extending the Second War Powers Act, and that the Senate shall remain in session this afternoon until it has acted finally on both those bills.

Mr. GEORGE. I may say that I join with the acting majority leader in that expression.

Mr. HATCH. Does the minority floor leader also join in that understanding?

Mr. WHITE. I most certainly do.

Mr. HATCH. Might it not be in order to amend or modify the unanimous-consent agreement propounded by the Senator from Georgia so as to include the further agreement that immediately upon the completion of the bill to which he has referred the Senate shall proceed to the consideration of the bill extending the Second War Powers Act? Will the Senator from Georgia amend his request to that effect?

Mr. HILL. Mr. President, if the Senator from Georgia will yield, I know of no reason why the Senate should not make such an order. We want to pass both bills this afternoon.

Mr. GEORGE. I have no objection to that being done.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia as modified?

Mr. HATCH. Including the bill extending the Second War Powers Act?

The ACTING PRESIDENT pro tempore. Including the bill to which the Senator from New Mexico has referred.

Mr. DANAHER. Mr. President, I should like to ask the distinguished chairman of the Committee on Finance if he is willing to include also proceeding to the consideration of Calendar No. 1832, House bill 1033, to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts, which was reported from the Committee on Finance yesterday.

Mr. GEORGE. I do not think it is necessary to do that. We certainly will have an opportunity to pass that bill, and but for the peculiar situation confronting us with reference to the so-called freezing of the social-security tax, I would not ask to displace the unfinished business even temporarily. I am sure we can consider and pass the bill to which the Senator from Connecticut refers.

Mr. DANAHER. The assurances of the able chairman of the Committee on Finance are satisfactory, and I thank him.

Mr. GEORGE. I am sure there will be no opposition to the bill referred to by the Senator from Connecticut, and it can be disposed of.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia as modified? The Chair hears none, and it is so ordered.

Mr. HILL. If the Senator from Georgia will yield to me——

Mr. GEORGE. I yield.

Mr. HILL. I merely wish to reiterate what has already been said, to wit, that we propose to stay in session this afternoon until we have completed final action on both these bills.

The ACTING PRESIDENT pro tempore. Is that a part of the request?

Mr. HILL. It is not a part of the request.

Mr. GEORGE. It is a threat.

Mr. HILL. It is an announcement.

The ACTING PRESIDENT pro tempore. The order has been made, and the Senate will proceed to the consideration of the bill.

The Senate proceeded to consider the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

Mr. GEORGE. Mr. President, the Committee on Finance, to which was referred House bill 5564, to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945 considered the measure and reported it favorably to the Senate without amendment. The vote was overwhelming, I may say; I do not recall the precise vote, but of those actually represented and who desired to be recorded it was 13 to 2 or perhaps 12 to 2. The bill passed the House earlier this week by a vote of 263 to 72.

The bill provides for the freezing of the rate of tax on employees and employers on pay rolls and wages for old-age and survivors' benefits at the rate of 1 percent for the year 1945, thus postponing for 1 year an increase to 2 percent on employer and employee, as would otherwise result under existing law.

Your committee was of the opinion that the present rate was sufficiently high to protect the reserve fund, and, therefore, believed it wise to freeze again this automatic increase which would become effective on January 1.

Mr. President, when the Social Security Act was originally before the Senate Committee on Finance various estimates were submitted. They were very wide of the mark. I undertake to say

at this late day that the estimates were no substantial guide to the committee, as they subsequently turned out. As late as 1939 it was estimated that by the beginning of the fiscal year on June 30, 1944, the amount of the reserve fund would be a little more than $3,000,000,000, as I recall the figures. Actually the amount in the reserve fund at the beginning of the current fiscal year was $5,450,000,000, and the amount in the reserve fund at the end of December, this current month, will be approximately $6,000,000,000.

It has been recently estimated by the Social Security Board itself that the highest expenditure from this fund, or the highest draft upon the fund, during the next 5 years, would run from four hundred and fifty million to seven hundred million dollars. If we apply the formula suggested by the Secretary of the Treasury in 1939—I will not say that it was a formula in the sense that it was written into the law—the total expenditure for the next 5 years is protected some 10 or 12 times over by the total of the reserve fund as of January 1 next.

Mr. President, I do not pretend to say that there is not an advantage in the contributory social-security system. I do not pretend to say that there is not an advantage in having the fund built up so that the beneficiaries themselves may know that their benefit payments are assured, and also that the present system is entirely without benefit so far as the Treasury is concerned. Yet it is a fact known to all persons, written into the law itself, that the reserve fund about which we are now speaking, is at once covered into the Treasury, after deducting the cost of administration for the current year, and bonds of the Federal Government are passed into that reserve fund as evidencing the amount due by the Treasury to the fund. So it is obvious that the money does go to the general fund.

As a tax for general purposes, the increase to 2 percent on both employers and employees in 1945 cannot be justified. In fact, it cannot be justified at all as a revenue measure. It was never intended as a revenue measure, and as a revenue measure it is the most faulty tax suggestion yet made to any Congress, at any time, by anybody.

In the first place, Mr. President, it is not a tax on the income of a taxpayer; it is a tax on the total pay rolls of the employers and the employees. This is a suitable and appropriate time to illustrate the iniquity of the tax if it be regarded as a tax for revenue.

At the present time the employers of large numbers of people and, therefore, the employers who have large Government contracts are nearly all paying excess-profits taxes. If they are in the 95-percent bracket, those employers would pay, if the increase of 1 percent went into effect January 1, 5 percent; and 95 percent would be paid by the Government itself, because the tax is a credit in computing the normal and excess-profits taxes.

Let us take another example. Those employers, however, who have no contracts, and who are barely breaking even, or who are running in the red, are called upon to pay the same tax, of 1-percent increase, on their total pay rolls, and they are called upon to pay a capital tax if they are actually running in the red.

So that if we regard the social-security tax as a means of getting additional revenue, we are committing ourselves to the most iniquitous and utterly indefensible form of taxation yet devised.

Therefore, Mr. President, for 3 years already this increase has been frozen, and we are still traveling along with the 1-percent initial tax upon employer and employee.

It is a well known fact also at this moment that many of the employees who are in the covered industries are in the so-called white-collar group. Their deductions for one cause or another—taxes, purchases of Federal bonds, and the like—have been estimated to run from 6 to 12 percent of their incomes. To take another 1 percent out of the white-collar class in America at this time is without the slightest justification, so far as the Federal revenue is concerned, and so far as any remote or indirect effect upon inflationary or deflationary forces is concerned.

In other words, Mr. President, the social-security tax—and I am sure those who have for a long time advocated our present social-security system will agree—should be levied only for the purpose of maintaining the integrity of the reserve fund.

The freezing of this tax will not in any sense affect the old-age benefit payments, or any payments to the aged and others under our social-security system who are taken care of by direct appropriations out of the Treasury. If the tax automatically doubles beginning January 1 it will not increase the benefit of a single beneficiary now under the social-security system. In other words, if the tax is permitted to go into effect, it can only increase the amount of the reserve.

Mr. President, the Social Security Board has advised with us regarding this matter, and I personally had hoped we might avoid a freezing of the entire automatic increase, but during the conversations I have had I have been assured that for some 20 years at least the present reserve, plus the annual tax, even at the present rate, would be able to take care of the system, and meet all the obligations under the system.

Therefore, Mr. President, I feel that the House of Representatives was justified in again freezing the tax, and that the Finance Committee was likewise justified in concluding that the tax should be frozen at the present rate of 1 percent.

The bill is therefore before the Senate. I do not care to debate the matter at any great length, because it has been discussed in this body on three previous occasions.

Mr. WAGNER. Mr. President, I wish to express my opposition to the pending bill, and to state as briefly and as simply as I can, the reasons why in my opinion the Senate should not vote to freeze the social-security contributions at the present rate of 1 percent.

Millions of our men and women are today serving in the armed forces of their country. In speaking against the proposed freeze of social-security contributions, I believe that I am expressing the wishes not only of the vast majority of Americans on the home front, but also of those fighting men and women of our armed forces who, when they return home, are entitled to every possible security, including social security.

REPEATED TAMPERING WITH CONTRIBUTION RATES MAY DESTROY PUBLIC CONFIDENCE IN THE INSURANCE SYSTEM

As one who sponsored the original Social Security Act in 1935, I feel it is my duty to warn Senators that a continued freeze of the contributions may seriously impair the financial soundness of our contributory system of social insurance and vitiate the whole idea of contributory social insurance. I believe that the people of America—and the Members of Congress—want the contributory social-insurance system and have no desire to jeopardize it. That is my opinion. But constant tampering by Congress with the premium rates is bound to destroy public confidence in the stability and security of the insurance system.

I am opposed to tampering with the old-age and survivors' insurance contributions because each time we depart from the original schedule of contributions we introduce the evils of uncertainty and confusion into a program which should be definite and clear. An essential value of the old-age and survivors' insurance system is the certainty and security that are embodied in any insurance system. Constant tampering with the contribution rates a few weeks before a new rate is scheduled to go into effect confuses the employers and workers who contribute to the program, and alarms all who look to it for security in their old age.

SCOPE OF INSURANCE SYSTEM

At this time I believe it will be helpful to state some of the most important facts about the insurance system. Even apart from the pending question of the freeze, Senators will be interested, I am sure, in a brief summary of how the insurance system operates, especially since we must soon consider the larger question of broadening the coverage of the system, extending the types of benefits provided, and liberalizing the benefit payments. This will, of course, involve an increase in the contribution rates. Five years have passed since the Senate last reviewed the basic elements of social security—much too long a delay, in my estimation.

The Federal old-age and survivors insurance benefits are only one part of the Social Security Act. The insurance system is composed of two sections—the insurance benefits provided in title II of the Social Security Act and the insurance premiums embodied in the Internal Revenue Code. The Social Security Board administers the insurance benefits. The Collector of Internal Revenue, under the Secretary of the Treasury, collects the insurance premiums.

This insurance program, therefore, is exclusively operated by the Federal Government. I should like to point out that the costs of administering the whole program come out of the insurance premiums paid by employers and employees. The Federal Government does not contribute from general revenues any part of the cost. The total administrative costs of the insurance program are only 2 percent of the premiums collected—a magnificent record.

The insurance system at the present time covers most employees in commerce and industry. It should not be confused with old-age assistance or relief which is administered by the States with the financial aid of the Federal Government through grants-in-aid under title I of the Social Security Act.

Under the insurance system, employees and employers contribute into a joint fund out of which the benefits are paid.

These insurance benefits are paid as a matter of right to persons who have qualified on the basis of their earnings; no question is raised as to what other income or resources a person may have. The purpose of this system, into which 48,000,000 persons last year paid insurance premiums, is to assure every individual that he will receive the benefits for which he has paid when he reaches retirement age, and that his widow and children will receive survivors' benefits if he dies.

MANY PERSONS EXCLUDED FROM INSURANCE SYSTEM

Although 48,000,000 persons paid premiums under the insurance system last year, many of these individuals only contributed for short periods of time while they were working in covered industries. Some 20,000,000 persons who are regularly employed in jobs not covered by the insurance system, nevertheless come under the insurance plan when they work from time to time in covered occupations. Farmers, farm hands, domestic employees, self-employed businessmen and doctors, nurses, lawyers, architects, accountants, and dentists in private practice are all excluded. So are employees in such nonprofit institutions as hospitals, charitable and religious organizations, community chests and private foundations. So are public employees and many other smaller groups.

Many of these groups have appealed to the Congress to be covered under the insurance system. The Social Security Board has recommended that they be covered and stated that the administrative problems involved in this extension of coverage have been worked out. Both major political parties have gone on record in favor of extension of coverage. Under these circumstances, I am confident that the distinguished chairman of the Finance Committee will hold hearings next year on social security with a view to the enactment of needed legislation on the subject.

TYPES OF INSURANCE BENEFITS

Three general types of benefits are provided under the insurance system:

First. Old-age benefits—beginning at age 65—to persons who retire. Additional payments are made on behalf of an aged individual's wife if she is also 65 years of age or over.

Second. Survivors' insurance benefits to the widow, orphans, or dependent parents of deceased persons.

Third. Lump-sum burial benefits to reimburse funeral expenses.

OLD-AGE BENEFITS

The old-age insurance benefits now average about $24 per month for the country as a whole. In those cases where the insured person has a wife 65 years of age and over, the payments average $37 per month. These payments are far too low and they should be increased. When the matter of the amount of these payments comes before the Senate, I believe we will increase them. That is only one of the many reasons why I am opposed to freezing the contributions at their present rates. I know we are going to need every cent we can get to pay adequate benefits to the aged.

SURVIVORS' INSURANCE BENEFITS

Not many people realize that monthly life-insurance benefits are payable to the survivors of insured persons who die. In many cases the survivors' benefits now being paid are equal to $10,000 to $15,000 of face value of a life-insurance policy. The total value of this life-insurance protection for the millions of persons covered under the existing law exceeds $50,000,000,000. That is more than the life insurance in force by any single private insurance company in the country—and equal to about one-third of all private life insurance in the United States. We are not only talking about old-age insurance in this question of the freeze—we are also concerned with the life insurance benefits under the social-security law—$50,000,000,000 of life insurance.

The average life-insurance payments to a widow with two children is about $47 a month. I do not think this amount is sufficient for a widow who must raise two small children and I am confident that we will increase this amount when we consider social-security benefits next year. That is another reason why I am opposed to the freeze now.

NUMBER RECEIVING INSURANCE BENEFITS

A major characteristic of the old-age and survivors' insurance program which in my opinion will make an increase in the contribution rates inevitable is the steady upward trend in costs which will continue for half a century or more. That such a large increase will occur has been disputed by no one. Today, 1,000,000 persons are drawing insurance benefits, but social-security actuaries estimate that within 15 years, this number will have risen to over 3,000,000; and by 1980, there may be 9,000,000 persons receiving benefits. This increase in the number of persons receiving benefits, together with a gradual increase in the average amount of the benefits, will cause the dollar costs of the system to increase by as much as 20 to 25 times over what they were in 1943.

CONTRIBUTION RATES

Today covered workers and their employers are each paying the very low insurance premium of 1 percent of wages—a total of 2 percent. That is far less than the actuarial value of the benefits. It is far less than the true cost of the old-age and survivors' insurance benefits provided under the existing law.

What is the reason for such low rates? Is it that the framers of the original act were not up on their arithmetic? Did they think that a contribution rate of 1 percent was sufficient to keep a contributory system of social security on a going basis?

The premiums today are low because in 1935, when the Social Security Act was passed, this country was just emerging from a depression. Like many others, I felt in sponsoring the social-security law that it was not desirable to levy at once the full amount that was needed. The law was new. Workers and employers needed time to adjust themselves to the payments. It was therefore important to provide for a gradual step-up in the rates. This is exactly what Congress provided.

It enacted in the law the principle of a gradual step-up. The contribution rate was to start at 1 percent, go to 1½ percent in 1940, to 2 percent in 1943, 2½ percent in 1946, and eventually to 3 percent in 1949.

We all know that this plan of a gradual increase in the contribution rates has not been followed.

In 1939 and again in 1942 and 1943, Congress put off the increase in contributions. In my opinion, there was no good reason for failing to increase the rates then. We were no longer in a depression; most employers could have absorbed a contribution increase. Each time the question came up some progressive newspapers and businessmen supported the increase and opposed the freeze. All organized labor opposed the freeze and supported the increase.

On preceding occasions the distinguished senior Senator from Michigan [Mr. VANDENBERG] has led the campaign to stop the scheduled increase in the social-security contribution rate. He recently stated that he has done this on behalf of 48,000,000 workers and their employers. A few days ago he stated with pride that the failure of the Congress to raise the tax as scheduled has resulted in large savings to the 48,000,000 workers and the employers involved. I should like to point out that the workers of this country did not ask for that kind of saving; and I doubt that they are grateful to the able Senator from Michigan for his part in relieving them of an obligation which they are glad to assume. In fact, it is perfectly clear that they are able and willing to pay the scheduled contributions. Labor knows that failure to finance the program soundly will impair the social-security system in the future. We must not take that risk.

As for employers, most of them know that the additional premium will cost them little, since they are permitted to deduct these payments from gross income in computing their normal taxes as well as their excess-profits taxes.

The senior Senator from Michigan has stated that he sees no reason why the social-security rates should be increased. The payment of existing old-age benefits does not require the increase, he

says. He states further that the social-security balance sheet denies any such need for years to come.

Now, it is perfectly true that at present the collections are far in excess of the benefits that are being paid out. But the conclusion I draw from this fact differs sharply from that of the Senator from Michigan. The excess of contributions over benefits does not mean that there is no need to increase the contribution. We are as yet at the very beginning of our social-security program. It is to be expected that the income would now greatly exceed the outgo. But our social-security program is committed to pay, over the years, benefits which will lead to steadily increasing cost for a long period of time.

Most workers in this country are still under retirement age. They are building up their rights now to their future benefits. But as time goes on we must expect that a great many more workers will have attained both retirement age and insured status under which they will be eligible for benefits. The costs of the system must increase greatly as the years go on, and actuaries estimate that the annual expenditure for benefits will increase to as much as 20 to 25 times the amount spent in 1943.

ADDITIONAL RETIREMENTS AFTER THE WAR

There is, moreover, one factor which operates to keep down the present costs. That is the factor of wartime-employment opportunities. At present some 700,000 workers who have already reached retirement age and are eligible for benefits are not drawing benefits. They are working because they have the chance to work. Some of these had already retired and begun to draw benefits; they have given up their benefits in order to earn wages. This situation we cannot, of course, expect to continue. We must expect that these aged workers will retire as soon as employment opportunities decrease. They will draw benefits, and in many cases their wives will also draw benefits. Whenever war activity slows down and young men return to industry, we must expect a sharp and sudden rise in benefit costs.

VALUE OF BENEFITS PROVIDED

To me, it would seem reasonable that all workers pay now and during the years they are employed hereafter a premium rate which more closely approximates the average annual cost of the protection they are getting. That is certainly not the case now. Today young workers who are in covered employment are by their contributions paying for a part—but only a part—of their own old-age and survivors insurance protection. Those who are within 10 or 15 years of retirement age are paying for only a very small part of the insurance protection they get.

One way of checking on values and costs is to compare the old-age-insurance contributions with the benefits. A worker who contributes for 10 years on the basis of an average wage of $150 a month could purchase with his contributions an annuity of only 94 cents a month from a private insurance company. His social-insurance benefit, however, would be $33 a month, with an additional benefit of $16.50 a month for his wife, if she were aged 65 or over—a total of $49.50 a month. It is, of course, right that the social-insurance program should take account of the past years during which older workers have made their contribution to society. It should pay reasonable benefits to persons who have had an opportunity to contribute to the social-insurance system for a short time only. But we do not want to ask the workers who are now young to shoulder in future too great a share of these benefits.

FUTURE COSTS OF INSURANCE BENEFITS

Part of the confusion results from the fact that no one can predict exactly what the cost of the retirement and survivor benefits provided under the act will be. There are many variable factors, such as mortality, life expectancy, and general economic conditions. Ten years from now, or 20 years or 30, will most men choose to retire and start drawing benefits at 65, or will they want—and have the opportunity—to keep on working until they are 67 or 68 years of age? Will we, through the progress of medical science and the adoption of a national health program which makes medical care widely available, succeed in reducing the death rate? Will the expected life span increase, thus adding to the number of years during which old-age benefits are payable? I could mention many other factors, but I think these illustrate the nature of the problem. Actuaries who have studied the question at great length estimate that the average cost of the benefits now provided is likely to be somewhere between 5 and 7 percent. None thinks it can possibly be less than 4 percent.

If the cost proves to be only 4 percent on the average, then workers and employers today are paying for only half the benefit rights which are being built up on the basis of today's wages. That amount will have to be made up by someone in the future if the promised benefits are to be paid. The only other alternative would be for some future Congress to cut the benefits. I do not want that possibility ever to occur. That is one reason why I believe employees and employers should pay higher premiums now, when they can afford it. Adequate payments now are a strong guaranty of full payment of benefits in the future.

GOVERNMENT SUBSIDY LOGICALLY MEANS COMPLETE COVERAGE

Of course, we could go on having workers and their employers contribute at rates less than the cost of the old-age and survivors insurance benefits provided under the existing Social Security Act. We could do that, but only if part of the costs were to be financed out of general revenues raised by progressive taxation.

I, myself, would not be opposed to having a part of the costs so financed. It would, it seems to me, be wholly appropriate and desirable for part of the costs to be financed out of general revenues if all of the population were covered by social insurance—as they should be.

At present, as we all know, that is not so. Since the old age and survivors insurance system operates only for workers in private industry and commerce, some 20,000,000 jobs are excluded. Our three to four million agricultural laborers and our 2,500,000 domestic servants are outside the system. The self-employed are excluded—among them some 6,000,000 farm owners and operators. One million employees of nonprofit charitable and other institutions are not covered. Public employees are excluded, and there are other groups.

If all those groups were covered by old-age and survivors insurance, I should say, "Very well and good; let part of the cost be paid as a subsidy out of general revenues." Despite the fact that many of those who are supporting the freeze state that they favor such a subsidy, I predict that if we continue a limited coverage system the time will come when it will be argued that the excluded groups should not be taxed to provide general revenue that is to be used for the payment of benefits under a system from which they themselves are excluded. In fact, the argument is being made already. That is why I oppose the tax freeze. We ought to settle the question of policy involved in financing the insurance system before we tinker again with the contribution rates.

People just naturally do not like being taxed for benefits from which they themselves are excluded. I have received hundreds of letters from the self-employed, and so have many other Senators. "Why should we help pay for benefits for our employees when we ourselves are excluded?" these people say. "What kind of justice is there in that?" Many of them point to their own great need of old-age and survivors protection, and offer to pay on their own account both the employer and the employee premiums in order to get that protection.

Other Senators also receive many letters from workers who sometimes work in private industry or commerce, but who do not stay under the system long enough to get insured. Some ask to be permitted to continue under the system, even though they are now working in uncovered employment. Like the employers I just mentioned, they offer to pay both the employer and the employee fees.

People want justice in matters of taxation, and my experience has been that they get more impatient about unjust taxes than about many other injustices. It is human nature to want what you pay for. It is also human nature not to want to pay for benefits that go to somebody else.

There would be no injustice in having some of the costs of social insurance paid out of general revenue if all workers were covered by social insurance. But even then I must admit that many people still would not want to see a major part so financed. Most people want to see a reasonable part of the total cost of insurance benefits paid for by direct contributions from insured workers and

their employers. If we retain a contributory system, we preserve the principle that benefits are paid as a matter of right when they fall due.

It is important that the social-insurance system be soundly and securely financed, if it is to bring real security to employees and their families and to our whole economy. I am for preserving the insurance system and strengthening it. I want to see the coverage broadened so we can justify a Government contribution and so future Congresses will adhere to that decision because it is equitable. We cannot properly give unsound reasons here on the floor of the Senate to justify freezing the contributions, and thereby promise a future Government subsidy, if it is doubtful whether future Congresses will believe in the wisdom or equity of our decisions. Since this is an insurance program to operate for years and years, I urge the Senate to consider this question seriously. If Senators are in favor of a Government subsidy to the insurance system, that is fine; but I think that decision logically means that they should immediately support the program for complete coverage of all persons under the insurance plan. That is the only logical and equitable position.

"MORGENTHAU RULE" NOT BINDING

If this bill is enacted into law, 1945 will represent the ninth year during which the 1-percent rates of contribution will have been in effect. During this time, a reserve of nearly $6,000,000,000 has been set up for the future payment of benefits. Those who support the freeze maintain that this reserve, together with expected additions at the 1-percent rate, will be adequate to assure the future payment of benefits. Let me examine some of the more specific arguments used to support this contention. I heard the Senator from Georgia [Mr. GEORGE] make that contention a short time ago.

One argument in support of the freeze is that it is required by the so-called Morgenthau rule embodied in section 201 (b) (3) of the Social Security Act that the reserve fund not exceed three times expected annual disbursements. This so-called rule which is advanced as a primary reason for the freeze is not, in fact, a binding rule at all, and the original suggestion of the Secretary of the Treasury frequently has been grossly twisted and distorted into a meaning which it was never intended to have. A distorted interpretation of a suggestion made by the Secretary of the Treasury in 1939 thus is used to support the freeze.

There is ample evidence in the 1939 testimony before congressional committees that the so-called three-times rule was intended to be applied only in the later years of the system after benefit payments were well along in their long-term rise; and that the suggestion was not intended to be applicable to the very early years of the system. Specifically, the suggestion of the Secretary of the Treasury was in terms of an "eventual" reserve. "Eventual" certainly must have had reference to a period some time after 1949 when the maximum 3-percent rates are scheduled to go into effect. To apply this long-term rule as a basis for financial policy in the very early years of the system, in my opinion, is to make use of a rule which was never intended to be used in that way.

The language now in the Social Security Act with respect to the three-times rule in no way binds Congress to follow this rule automatically. Some persons have endeavored to spread the impression that Congress settled the basic financial policy regarding reserves in 1939 by incorporating in the law a three-times rule, which more or less automatically governs the size of the reserve. All that the provision now in the law does is to specify the occasions under which the board of trustees of the trust fund shall make special reports to Congress in addition to its regular annual report. Since the provision in no way suggests what action Congress shall take at that time, it is a violent distortion of the exact language of the statute to say that a new congressional policy as to the maximum size of the reserve was established in 1939. The actual facts are that Congress establishes a new policy for 1 year in each successive freeze, but instead of justifying such new policy on its merits, refers to a strained interpretation of the statute itself, and of the recommendation made to Congress by the Secretary of the Treasury. In short, the proposed freezing of rates for 1945 cannot be justified by reference to the so-called Morgenthau rule.

FUTURE COSTS TO GENERAL TAXPAYER

Mr. President, a second major argument frequently advanced by those favoring freezing of the taxes is that payment of higher rates of contributions now will not diminish the burden of the progress in later years since a second set of taxes will have to be paid subsequently to finance interest on and amortization of investments held by the old-age trust fund. This argument was given a prominent place in the report of the Senate Finance Committee in January of this year on the freezing of the 1944 rates and also by the senior Senator from Michigan during the debate on that bill. The statement was made at that time that it makes no difference to the taxpayer whether $500,000,000 is appropriated eventually to pay interest on the investments of a reserve fund, or whether $1,500,000,000 is directly appropriated as a Government subsidy to the old-age and survivors insurance system.

This second argument advanced in favor of the freeze is no more accurate than the first argument, and it is amazing to see the extent to which the case for a freezing of rates is rested on this very elementary fiscal error.

So long as there is a public debt it seems likely that we shall have a debt for many years to come, and we shall have very large annual interest charges to pay. Except for possible slight differences in rates, the amount of such interest will be the same whether it is paid entirely to private holders of the debt or whether a part of it is paid to the trust fund on Government obligations held by the fund. Since the interest would be paid in any case, it is not accurate to attribute interest paid on old-age investments as a cost of old-age insurance. Similarly, if no reserve were accumulated under the old-age insurance system and instead a Government subsidy were introduced in later years, general taxpayers would need to raise not only the same amount of interest as they would have had to have raised with a reserve, but in addition would have to pay taxes to finance the Government subsidy.

I have taken some time to discuss this very elementary point, since it has occupied such an important role in the arguments for the freezing of the tax. The enactment of legislation based on such an erroneous interpretation of the facts would be a tragic matter indeed. It should be noted that Mr. M. A. Linton, president of the Provident Mutual Life Insurance Co., who advocates freezing the tax for other reasons, agreed in testifying before the Ways and Means Committee that the amount of taxes to be raised in the future, if there is no reserve fund, will be twice as much as if there is a reserve fund.

PRESENT ECONOMIC CONDITIONS FAVOR INCREASED PREMIUMS

A third argument advanced for freezing the rates for 1945 is that the present is a poor time to raise taxes in view of existing high tax burdens and reconversion problems which may soon confront the Nation. This type of argument has been used almost continuously since 1938 or 1939 when discussions of increasing tax rates began. The exact form of the argument, however, differs, depending upon the economic conditions prevailing at the time. The version of the argument used 4 or 5 years ago was that depressed conditions and unemployment made it inexpedient and deflationary to permit pay-roll-tax rates to increase. During the war when pay rolls and profits have risen to unprecedented levels, this previous argument has been subordinated if not forgotten, and now the argument is that the present is a poor time because of current tax burdens and what may happen 1 or 2 years from now. Surely if depressed conditions were an important consideration in the freezing of rates 3 or 5 years ago, then the present is a very excellent time to increase the rates. Employment and earnings are high and the present would be a most propitious time for workers to absorb an increase in rates. This is confirmed by the actions of both the American Federation of Labor and the Congress of Industrial Organizations in urging an increase in rates. So far as employers are concerned, the war has raised the profits of most of them to a high level and, in addition, the increased 2-percent pay-roll tax they would pay would be offset in large part by the reduction in the excess-profits taxes which they would otherwise be required to pay.

Much effort has been devoted to spreading the impression that the purpose of increasing the pay-roll-tax rates is an ulterior one of controlling inflation

and financing the war. This attack on the increase in rates overlooks the fact, for one thing, that advocates of keeping pay-roll tax rates low advanced economic arguments a few years ago which might have been subjected to the same false criticism, namely, that pay-roll-tax legislation was being influenced by questions other than those inherent in the progress itself.

It has been said repeatedly, and I shall reiterate, that the increase in tax rates is necessary and desirable solely for purposes of the program alone. Whatever assistance the increase in rates may give to inflation control or the financing of the war is an incidental byproduct of the increase and not a primary objective. It is, of course, most fortunate that these incidental byproducts of raising the rates are consistent with the general economic conditions existing at the present. In brief, the increase in rates necessitated by the needs of the old-age program alone would be timely in relation to prevailing economic and fiscal problems.

INCREASED LIABILITIES OF INSURANCE SYSTEM DUE TO THE WAR

I have now discussed three of the main arguments which are made for freezing the rates for 1945 and have demonstrated their weaknesses. I shall now discuss a fourth justification often advanced for maintaining rates at the 1-percent level. Much is made of the fact that collections at the 1-percent rate have been much higher than was estimated in 1939, and that the reserve which has already been accumulated is also larger than originally estimated. It is true that the entrance of the Nation into war, which was unforeseen in 1939, has tremendously increased contributions collected at the 1-percent rate just as it has led to unprecedented increases in most economic indexes.

The basic fallacy of the argument that this fact justifies freezing of rates is that it completely ignores the parallel effects of the war on the benefit liability of the system. Benefits are payable under the old age and survivors insurance program on the basis of wages earned in covered employment. The war has resulted in many more persons earning such wages than had been anticipated, and the war has increased the average amount of wages recorded to the credit of individual workers. In 1938—the last full year preceding enactment of the amendments of 1939—less than 32,000,000 persons earned wages in covered employment during the year. In contrast, 48,000,000 persons earned such wages in 1943, thus exceeding by more than 16,000,000 the number of persons who earned wages in covered employment in 1939. It is very doubtful if this increase of more than 50 percent would have occurred if there had been no war. It obviously results in a tremendous increase in the liability of the system for the payment of benefits. Average annual taxable wages per covered worker similarly increased from $833 in 1938 to $1,300 in 1943. Proponents of the tax freeze lay great stress on the wartime growth in contributions, but pay little or no attention to the effect of the war upon the liabilities of the system. This is a most short-sighted and risky financial procedure.

DOUBLE TAXATION ARGUMENT FALLACIOUS

I must take one moment to discuss one of the most persistently repeated and false arguments used by those who oppose the planned increase in the contribution rate. That is the question of what happens to the money which is put aside for social insurance. The one point on which there is no disagreement is that the cash is invested exclusively in Government bonds. Most of us would consider that an absolutely safe investment for ourselves or for any private insurance company. What happens next? The Treasury uses the proceeds of the bonds just as it uses money you or I pay directly for war bonds we buy. And it pays interest to the Social Insurance Trust Fund and it will eventually repay the principal as it would to any other investor. It is clear that the social-insurance fund has made a wise investment and the impartial advisory council of 1939 representing the employers, employees, and the public, publicly confirmed this conclusion.

But despite this fact various newspapers have spread the story around that the taxpayer must pay twice for social security because in addition to paying social security contributions each person must help to pay the taxes which the Treasury needs to redeem those bonds held by the insurance system. This charge that the taxpayer must pay twice for social security is absolutely and ridiculously false. It is used to confuse people on the whole social security problem. Social-security experts have testified before congressional committees again and again and stated that these charges are untrue. But the lie continues to be spread.

NEWSPAPERS WHICH OPPOSE FREEZE

As at the other times when the question of increasing the social-security contribution rates was raised, a number of progressive newspapers have come out and opposed the freeze—this time more of them than before. The Washington Post, the St. Louis Post-Dispatch, the Milwaukee Journal, the Nashville Tennesseean, the Chicago Sun, the Hartford Times, the St. Petersburg (Fla.) Times, the Wall Street Journal, and the New York Journal of Commerce are all in favor of an increase in the rate.

I ask unanimous consent that five of these editorials be included in the RECORD as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Milwaukee (Wis.) Journal of November 15, 1944]

TWO PERCENT FOR SOCIAL SECURITY

On January 1, unless Congress takes positive action to the contrary, the social-security-tax rate will advance from the present 1 percent to 2 percent. Senator VANDENBERG, who has three times led the successful fight to stay operation of the provision for automatic increase, announces that he will again seek to keep the rate at the 1 percent level for both employers and employees.

This time Congress should refuse to go along with the Michigan Senator. It is time that those who are building up rights under the Social Security Act begin to meet in larger measure the costs which are accruing.

The Social Security Act set a tax rate of 1 percent for the years 1937, 1938, and 1939. For 1940, 1941, and 1942, the rate was to have been 1½ percent. It was to have risen to 2 percent in 1943 and to have remained there for 1944 and 1945.

The fact that it has remained at 1 percent all these years means that the income from the tax, though far in excess of needs so far, has not begun to keep pace with actuarial requirements. These requirements not only demand that the rate eventually go to 3 percent but that, even then, the general taxpayer must contribute a substantial amount through interest payments on the so-called social-security "fund."

If the law had been allowed to take its course, employers and employees by now would have paid altogether 2 percent of pay rolls for 3 years, 3 percent of pay rolls for another 3 years and 4 percent of pay rolls for the last 2 years. Instead of that, they have paid 2 percent of pay rolls for 8 years. The difference is as between 23 and 16. If the old rate is continued another year, it will be as between 27 and 18.

This just cannot go on. The rate for 1946 is scheduled to be 2½ percent. Plain common sense would indicate that the step to 2 percent should be taken now.

We have never believed in the desirability of the fictional fund of interest-bearing Government I O U's which now represent the Government's responsibility for its social-security obligations, but we do believe that employers and employees should each year pay into the Treasury as nearly as possible the cost of the benefits which are being built up.

If that cost will exceed 6 percent of pay rolls, there should be no further delay in taking steps to get the rate up to the 3 percent plus 3 percent maximum now provided in the law and now scheduled to be reached in 1949.

[From the Chicago Sun of November 20, 1944]

FINANCING SOCIAL SECURITY

Congress is about to engage in its annual struggle over freezing the social-security tax at 1 percent. The law calls for an automatic jump to 2 percent, but twice now Congress has stayed execution. Year-by-year improvisations being no substitute for a sound program of social-security financing, the whole question should be reexamined.

There were strong reasons for letting the tax go up both in 1943 and 1944. The Nation then faced an inflationary situation, and the pay-roll deductions for security would have been mildly deflationary. When VE-day comes, however, increased taxes on low incomes may be unwise from a fiscal point of view, though the actuarial reasons for increasing the social-security contributions would remain. The point is that under present conditions we are in constant danger of freezing the tax when for fiscal reasons it should be increased, and increasing it when it should be frozen or even reduced.

Whatever principles may be ultimately adopted, they should be consistent. Perhaps we shall come in the end to a flexible system, under which pay-roll taxes are increased in years of high national income and reduced when wages and income fall off.

[From the New York Journal of Commerce of November 16, 1944]

THE PAY-ROLL-TAX RATE

Senator ARTHUR H. VANDENBERG has proposed that the Federal pay-roll tax for old-age pensions be frozen again at 1 percent for employers and employees, instead of rising to 2 percent on January 1 next as the statute now provides. He recognizes, however, that the social security tax rate should be deter-

mined in accordance with a long-range policy, rather than by annual acts of Congress as has been the case in the past 3 years.

During the war, the great increase in pay rolls has raised tax collections far above original estimates. As a result, the old age and survivors insurance trust fund now amounts to approximately $6,000,000,000. This reserve is ample to pay benefits for some years to come, even though the 1 percent tax rate is continued.

Even with a high level of employment after the war, rising benefit payments over a period of years will result eventually in reserves becoming inadequate during the decade of the fifties. When that occurs, the old age and survivors insurance trust fund would have to turn to the Federal Treasury to supplement its own resources. Any consequent increase in taxes would have to be borne chiefly by business, in all probability. A high pay-roll tax contributed equally by employees and employers, on the other hand, would spread the burden more equally.

The Federal old-age benefit system should be kept on a self-supporting basis. A policy of freezing pay-roll taxes which will involve the Federal Government eventually in the need for making substantial contributions to the old age and survivors trust fund would not be sound. Senator VANDENBERG's suggestion for a thorough reconsideration of the whole Federal old-age pension system is thus quite timely, and should be adopted regardless of whether the 1 percent pay-roll tax rate is frozen for another year.

[From Washington Post of November 17, 1944]

PAY-ROLL TAX

Senator VANDENBERG has introduced a bill calling for a fourth freezing of social security pay-roll taxes at existing levels. We heartily endorse his suggestion that this whole pay-roll question should be referred for study and recommendation to the joint congressional Committee on Internal Revenue with an advisory committee of outside experts. However, we doubt the desirability of again postponing the projected increase in pay-roll levies that is to come into effect January 1.

Senator VANDENBERG says that the Social Security Act apparently looks to limiting the old-age insurance reserve to not more than three times the highest prospective annual benefits in the ensuing 5 years, in accordance with the so-called Morgenthau rule. On that basis it is estimated that the old-age reserve fund is already much larger than it need be. However, these computations fail to take account of the long-run cost of the system. For example, Chairman Altmeyer of the Social Security Board believes that ultimately the disbursements on old-age insurance account may amount to from 15 to 20 times present annual disbursements, owing to sharp increases in costs resulting from the growing percentage of the aged in the population and increasing amounts of benefits payable per person. Consequently the levies currently exacted from employers and employees fall far short of the amounts needed to make the old age insurance system self-sustaining; i. e., to put it in position to meet its obligations to the insured without calling upon the Government for contributions at sometime in the future. Even with a 2 percent pay-roll levy, the long-run costs of the present system will not be covered, if Chairman Altmeyer's estimates are correct. That being the case, the arguments in favor of another postponement of the impending increases seem extremely weak.

Mr. WAGNER. I wish to read a paragraph from the editorial of the Milwaukee Journal, which is included among those I have asked to have printed in the RECORD. The portion to which I refer reads as follows:

On January 1, unless Congress takes positive action to the contrary, the social-security tax rate will advance from the present 1 percent to 2 percent. Senator VANDENBERG, who has three times led the successful fight to stay operation of the provision for automatic increase, announces that he will again seek to keep the rate at the 1-percent level for both employers and employees. This time Congress should refuse to go along with the Michigan Senator. It is time that those who are building up rights under the Social Security Act begin to meet in larger measures the costs which are accruing.

LABOR OPPOSES FREEZE

What exactly does organized labor say? Organized labor strongly favors an increase. The workers of this country place a high value on a sound and stable social-security system; they are willing to pay their fair share of its cost. On this point, there is unanimous agreement in the ranks of labor.

I shall read briefly from the statement issued by the American Federation of Labor, and from one issued by the Congress of Industrial Organizations. I read the following paragraph from a letter sent to all Members of the United States House of Representatives by William Green, president of the American Federation of Labor:

Being informed that H. R. 5564, a bill to fix the rate of tax under the Federal Insurance Contributions Act on employer and employee for the calendar year 1945, has been reported out of committee, I wish to advise that the American Federation of Labor is definitely opposed to its enactment.

That is, they are opposed to the increase.

In a long letter issued by the Congress of Industrial Organizations, they state that they also are opposed to the proposed freeze.

PRESIDENT ROOSEVELT OPPOSES FREEZE

Two years ago the President made known his reasons for opposing the freeze for 1943. The reasons which the President gave then are, in my opinion, even more valid now. This is what the President said:

This amendment, freezing the contributions, is causing considerable concern to many persons insured under the old-age and survivors insurance system. The financial obligations which will have to be met in paying benefits amply justify the increase in rates. A failure to allow the scheduled increase in rates to take place under present favorable circumstances would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future and that the claims for benefits accruing under the present law may be jeopardized.

In 1939, in a period of unemployment, we departed temporarily from the original schedule of contributions, with the understanding that the original schedule would be resumed on January 1, 1943. There is certainly no sound reason for departing again under present circumstances. Both employment and the income from which contributions are made are at a very high point—the highest since the inauguration of the system. In fact, the volume of purchasing power is so great that it threatens the stability of the cost of living. * * *

This is the time to strengthen, not to weaken, the social-security system. It is time now to prepare for the security of workers in the post-war years. * * *

This is one case in which social and fiscal objectives, war and post-war aims are in full accord. Expanded social security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war.

In January of this year the President said again:

I earnestly urge the Congress to retain at this time the scheduled increase in rates. High employment and low rates of retirement during the war have added to social-insurance reserves. However, liabilities for future benefits based on the increased wartime employment and wages have risen concurrently. The increase in contributions provided by existing law should now become effective so that contributions provided will be more nearly in accord with the value of the insurance provided and so that reserves may be built up to aid in financing future benefit payments.

In February of this year the President repeated the same views. He said:

The elimination of automatic increases provided in the social-security law comes at a time when industry and labor are best able to adjust themselves to such increases. These automatic increases are required to meet the claims that are being built up against the social-security fund. Such a postponement does not seem wise.

CONGRESS SHOULD HOLD HEARINGS ON SOCIAL SECURITY

I am glad that we have had occasion to discuss this matter of the social-security tax rate at this time. I am glad because this discussion should precipitate another—a reconsideration of our entire social-security system. The degree of interest the press has shown in the question of the social-security tax rate reflects, I believe, a deep interest on the part of the people of this country in an extended and expanded system of social security.

The senior Senator from Michigan and I are in agreement on this. It is high time to reexamine the entire social-security situation.

WAGNER-MURRAY-DINGELL BILL

As Senators know, over a year and a half ago I introduced in the Senate a bill known as the Wagner-Murray-Dingell bill. The bill provides for a truly comprehensive system of social security. The principal features of the measure are old-age and survivors insurance, permanent disability insurance, unemployment insurance, temporary disability insurance, and insurance against the costs of medical and hospital care.

Under this bill the provisions of the Federal old-age and survivors insurance are extended and liberalized. The provision covers the millions now excluded from the program. It includes permanent disability benefits for the insured person, with additional payments for his dependent wife, dependent children, or dependent parents. It increases the benefits, depending on the amount of the insured person's wages. It increases the minimum and the maximum monthly

benefits, and reduces the age of eligibility for women to receive benefit from 65 to 60.

The bill further provides for a Federal unemployment and temporary disability insurance system. Under this provision temporarily disabled workers would be eligible for benefits equal in amount to unemployment benefits. Moreover, benefits are to be increased and to be payable for a longer period of time than at present. Unemployment insurance and temporary disability coverage is to be extended to agricultural workers, domestic servants, and other groups.

Surely, as important as any of these provisions in the bill is the provision for a Federal system of medical and hospitalization insurance for all persons covered under old-age and survivors insurance and for their dependents.

Under this section each insured worker and his dependents would be entitled to services of a physician, and could choose any doctor he wished from among those in the community who had voluntarily agreed to go into the system. Each person would be entitled also, on the doctor's advice, to specialist, consultant, and laboratory service, including X-ray, appliances, eyeglasses, and the like, and necessary hospital care. Doctors would be left free to enter or remain out of the system, to accept or reject patients, and every qualified hospital would be eligible to participate.

The bill calls also for a long-deferred act of justice to those men and women who are now serving their country in the armed forces. It provides for the protection and extension of their social-security rights by giving them wage credits for the entire period of their military service, without deductions from their pay, the cost to be borne by the Federal Government out of general revenue.

I believe that the people of this country want a comprehensive social-security program—a really adequate social-security program. They do not want to wait indefinitely for it. They want it now, so that when the war ends social security may serve to absorb the shocks of readjustment to a peacetime economy. Those shocks cannot be avoided, but they can be minimized. We can forge an instrument to meet the shocks. In the difficult period that lies ahead, a comprehensive system of social security would be a stabilizing factor the importance of which cannot be overemphasized.

Mr. MURRAY. Mr. President, I am opposed this year, as I was last year, to the freezing of the old-age and survivors' insurance tax at the present rate of 1 percent each on employers and employees.

When the amendment to freeze the taxes was under consideration last year, I stated at some length on this floor my reasons for opposing what I regarded then, as I regard now, as irresponsible tinkering with the finances of the social-security system.

I am not going to repeat all that I said last year. Nothing that the proponents of the tax freeze have said since then has met the arguments which I advanced last year in opposition to the tax freeze. It is even more evident today than it was a year ago that the present contribution rates are inadequate to meet the obligations which the insurance system has undertaken. Every expert and every actuary who has studied the problem agrees that the long-run average cost of the benefits promised under the present law will be at least 4 percent of taxable pay rolls. Many would put the figure considerably higher—5 percent or even 6 or 7 percent. The desire of the workers of this country for a sound and stable contributory social insurance program has been, if possible, more strongly affirmed this year than ever before. In no uncertain terms, they have said they want a sound and stable financing for this program.

Mr. President, my honored and distinguished colleague the Senator from New York [Mr. WAGNER] has already made clear why all the real supporters of social security are opposed to the tax freeze. In the time available to me, I want briefly to examine the arguments advanced by the proponents of the freeze. I want to point out to this body how misleading some of those arguments are. I want to make clear how completely incapable of justifying the proposed action those arguments are.

For convenience, I address my remarks to a summary of the arguments which appeared in an editorial in the New York Times of December 5. This editorial is based on a statement by Mr. M. Albert Linton, the president of the Provident Mutual Life Insurance Co. of Philadelphia.

Last year the New York Times opposed the tax freeze and supported the scheduled increase in the tax rate to 2 percent on employers and employees, on the sound ground that this amount would be needed to meet the anticipated liabilities of the insurance system. None of the eight arguments cited in last Tuesday's editorial controverts that point.

What, then, are the eight arguments? Let me first dispose of two of them. They have nothing to do with the real issue we are discussing. These two must, therefore, be regarded as only red herrings, intended to distract attention from the real issues. These two arguments are stated as follows:

> Raising the social-security tax rate to meet war expenses would be unsound. It is dangerous to use these taxes for extraneous purposes.

And, secondly:

> Raising the social-security tax rate as an anti-inflationary measure would also be unsound.

Well, certainly, both those statements are true. But what is their significance? They intend to imply, of course, that social-security taxes are being misused, and that those of us—and the millions of workers who stand with us—who support the scheduled increase in contribution rates do so for ulterior purposes. That is an utterly false implication. The increase in contribution rates is being urged because it is necessary to the long-run stability of the social-insurance system, and for no other reason. The fact that we can move toward the desirable contribution level at this time without undesirable economic consequences is hardly an argument for refusing to take that step.

Of a similar character is another of the arguments which the New York Times regards as making a case for the tax freeze. Again, I quote:

> To increase social-security taxes unnecessarily would impose unjustified burdens on small business and white-collar workers. Big business would not feel the burden to the same extent, because so much of it would be shifted to the Treasury Department.

I hope my championship of small business has been sufficiently well known and consistent so that no one will doubt my motives when I characterize that argument as nothing but crocodile tears. The crux of the argument is in the words "to increase the * * * taxes unnecessarily" and "impose unjustified burdens."

Certainly, unnecessary taxes are unjustified whenever imposed. But the proposed tax increase is necessary to the sound and systematic long-term financing of the social-insurance system. Small business stands to gain as much as big business from a strong and sound social-insurance program. Small business is better able to absorb the tax increase under present conditions than it will be when reconversion gets under way or possibly afterward. So far as the white-collar workers are concerned, they—like other workers—are ready to pay their fair share of the costs of social security. Indeed, the only serious complaints I have heard from white-collar workers and small self-employed businessmen comes from those who are not covered, and the complaint is that they are not permitted to pay contributions. They may well ask who it is that presumes to speak for them and to offer them such false sympathy. Who is it, we might ask, that has been campaigning for the tax freeze? Who has been rousing chambers of commerce and employees to oppose the tax? Small businessmen? White-collar workers? Labor organizations? Nonsense! It is the representatives of certain big business.

Let me turn to another argument in the New York Times that should deeply concern every Member of Congress. The argument starts with the correct statement that ample funds are now available in the old-age and survivors insurance trust fund to meet all requirements for several years to come. What this statement neglects to state is the fact that as time goes on, more and more persons who reach age 65 will qualify for benefits, that most workers now covered by old-age and survivors insurance are still young, and that these young workers at present rates are not paying the full cost of their own future benefits. But it is the related argument to which I want to call particular attention:

> An increase in social-security taxes would increase the already large excess of income over outgo. * * * Especially if continued year after year, this situation would encourage raids on the fund either to be used (borrowed) for extraneous purposes or to

liberalize the benefit formula unwisely. It is unlikely that the actuaries' calculations of liabilities on what may happen in 20 or 30 years hence would deter the raiders.

Mr. President, I believe that represents a grossly unfair judgment on the integrity or the responsibility of the Congress of the United States. In view of the large public debt of the United States for the discernible future, and the legal requirements as to the investment of the insurance reserves, what kind of "raids" could be made on these funds? And as to liberalizing the benefit formula unwisely, I think all reasonable people will agree with me that the best possible protection is to require the beneficiaries of the insurance system to realize the full cost of the benefits by paying their fair share of the costs. The workers of America are ready and willing to do this. It is not they who are asking for a tax freeze. The A. F. of L., the C. I. O., and the railroad brotherhoods have been asking that the taxes should be permitted to step up according to the present law.

Those who favor a tax freeze are apparently more afraid of a small and justifiable immediate burden on employers than they are of however staggering a future burden on the Treasury.

Another argument for the tax freeze cited by the New York Times is this. When, a generation hence, the annual disbursements for old-age benefits exceed the 6-percent pay-roll tax eventually contemplated by the present law, the difference can be made up through a Government subsidy. One might ask how the rate is ever to get to the total 6 percent eventually contemplated by the present law if we continue to postpone any increases above the present total of 2 percent?

But the main issue has to do with the size of the Government subsidy which would be needed. The statement in the New York Times continues:

> Subsidies to the system of a reasonable amount are nothing to become alarmed about.

That is quite true, and I myself favor a reasonable Government contribution to the system when it has been expanded to cover all employments. But the subsidies which would be required if the people who oppose the step-up to a total of 4-percent contributions have their way year after year after year—such subsidies would not be reasonable. The subsidies might have to become so large as to undermine the contributory character of the insurance system. The need for such large annual subsidies would subject the insurance system to all the hazards and uncertainties of annual appropriations. The need for a Government subsidy of such proportions would lead to the constant danger that benefit rights might be reduced or withdrawn, and that instead of insurance we would have the dole.

Last year, when we were debating this same question, I offered and Congress adopted an amendment to the Social Security Act authorizing appropriations from general revenues. I felt that such a provision was absolutely necessary to make clear the intention of Congress to guarantee the promised benefits when it froze the tax rate. At the same time I urged that Congress give full and comprehensive attention during the succeeding months to the need for expanding and strengthening the entire social-security program.

In the year that has elapsed Congress has given no attention whatsoever to these matters. Mere talk about an eventual subsidy—even statutory authorization for appropriations—cannot indefinitely take the place of action. The people of this country will have a right to question the intent of Congress to support social security if its only action is an annual postponement of the scheduled increase in contributions necessary to pay at least the minimum estimated cost.

Therefore, I am especially interested in the two additional reasons for the tax freeze cited by the New York Times editorial. One is as follows:

> The provision in the present law that the current tax yield should be approximately three times the current outgo * * * is at variance with the schedule of the tax rates in the law.

I say without qualification that there is no such provision in the present law. It is bad enough to contend that the reserve even in these early years of the insurance system should not be more than three times the highest expected outgo for the 5 years ahead. It is even worse for anyone to make the inaccurate statement that there is a provision in the law to the effect that the "current tax yield should be approximately three times the current outgo." It is evidence of the weakness of the position of those who support the tax freeze that they lean upon completely unfounded statements.

But what I am more interested in is the conclusion which is drawn from this statement, which is that the present tax rate should be retained until the whole situation can be carefully reviewed. This suggestion is repeated in the eighth and final argument of the New York Times editorial. The rate should be held at 1 percent, the argument goes, "but a comprehensive expert study of the whole financing system should be immediately undertaken."

In the end, therefore, the arguments of those who favor the tax freeze appear as what they are—tactics of delay.

The individuals and groups who advance these arguments opposed the passage of the original Social Security Act in 1935. They have consistently opposed—by their actions if not always by their words—the expansion of our present system to cover presently excluded groups and to provide protection against additional risks. They dare no longer openly oppose social security and so they befuddle the issues and talk about committees of experts. We need no committee of experts to tell us that the present contribution rates for old-age and survivors insurance are too low to support the insurance system. What we need is the courage to act, not more studies by experts to tell us what we already know.

I have shown how little the arguments advanced by the proponents of the tax freeze amount to. I would not want to leave with any of my colleagues the impression that I think the position taken by the New York Times is representative of our leading newspapers. The number of newspapers which have stated clearly their opposition to the tax freeze is larger this year than it was last. I can take time to refer only to a few outstanding editorials. The Tennesseean, for November 20, after pointing out that the present contributions will not cover the costs of the system, had this to say:

> It is hard to see how society can continue to refuse to extend old-age benefits to the millions of domestic, independently employed, and farm workers. Those who will keep on opposing this extension would find comfort, support, and argument in a fund too small to meet the requirements. For these reasons, the tax should be allowed to double January 1, as provided by law.

An editorial in the St. Louis Post-Dispatch of November 14 called for defeat of the effort to freeze the tax, and said:

> It is none too soon * * * to let Congress, the lame ducks and continuing Senators alike, to know that this is bad medicine, to be left severely alone.

The Wall Street Journal has presented a series of editorials in which the case for the scheduled increase in rates has been clearly and forcefully stated. I will not take the time to read from these editorials, but I commend them to the attention of Senators for their presentation of an intelligent conservative point of view.

Mr. President, over a year and a half ago I had the honor to join with my friend, the distinguished Senator from New York [Mr. WAGNER], in introducing a bill establishing a comprehensive and unified social-insurance system. Had the gentlemen who now talk about the need for a careful review of the whole situation as regards social security been willing to accept the consequences of such an investigation, our bill—amended in many particulars as a result of full congressional consideration—would have been enacted long before this, and the people of this country would even now be facing with confidence the difficult years ahead. They would be secure in the knowledge that they were providing for themselves through their insurance system a continuing source of family income in case of old age, disability, unemployment or the death of the worker, and a method of paying for needed medical and hospital care. The people have shown in many ways that they want such security and that they are willing to pay for it.

I intend to do everything in my power to see that the next Congress gives early attention to the social security program. But let us be clear that what we may do in the next Congress to expand and extend the program has no bearing on the arguments today for or against a tax freeze—except as the position each one of us takes now bears witness to the sincerity or lack of sincerity of his support of social insurance.

The increase in the contribution rate to 2 percent on employers and on employees is necessary for the sound financing of the present program. I urge my

colleagues in the Senate to give real service and not lip service to social security for the American people. I ask that we oppose the tax freeze in House bill 5564 and stand by the step-up in the contribution rates properly scheduled in the present law.

Mr. VANDENBERG. Mr. President, the Senate is anxious to vote, and I share that anxiety. I wish briefly to summarize the situation as it appeals to the majority of the Committee on Finance, and to the overwhelming majority of the House of Representatives, so that the RECORD may indicate the justification of Senators who, in my judgment, will render a substantial majority in favor of the pending bill.

Mr. President, I wish to make it clear that the things which have been said in the course of the debate this afternoon regarding the expansion of old-age benefits and the expansion of coverage of old-age benefits, have absolutely nothing to do with the question pending before the Senate. The rate of the pay-roll tax which will be paid in 1945 has no relationship whatever to the schedule of benefits which will be paid under the law.

What I am trying to say is that the existing pay-roll tax pays for existing benefits. When we are proposing to freeze the tax at 1 percent instead of to permit it to increase to 2 percent, we are not affecting the benefits at all. We are simply saying, in behalf of the workers of America, that they shall not confront a doubled pay-roll tax to pay for existing benefits.

When we reach the question of whether or not the coverage of old-age insurance should be expanded, when we reach the question of whether or not the scale of benefit payments under old-age insurance should be expanded in certain categories, when we expand the coverage, and when we increase the benefits, then I agree it will be logical to increase the tax to pay for the expansion. But I submit that the House was everlastingly justified when, by vote of 263 to 72, it passed the bill; and the Senate Committee on Finance was everlastingly justified when, by a vote of 13 to 2, it said that no more taxes shall be collected from the pay rolls of this country in 1945 than are necessary to pay for existing benefits.

The sole question before the Senate is whether or not the existing 1 percent tax on pay rolls for employees and 1 percent for employers will be adequate through 1945 to sustain the payment of existing benefits. That is the only question before us.

Mr. President, I think that question can be rather simply and officially answered. It is to be remembered that in 1939 we consciously changed the character of the old-age and survivors insurance section of the Social Security Act. We took it from a full reserve basis and deliberately put it upon a contingent reserve basis. We did so because it is universally recognized that a public tax-supported insurance system does not require a full reserve, inasmuch as the entire public credit of the whole Nation is its reserve constantly.

I repeat, we transferred from a full reserve to a contingent reserve in 1939. Then the question became, What is the appropriate measure of a contingent reserve? That question also was settled officially in 1939. It was settled when the Secretary of the Treasury, Mr. Morgenthau, who is the chief fiscal officer of the Government, testified before the House Ways and Means Committee on March 24, 1939, and specifically defined what the contingent reserve ought to be. This is what he said:

> Specifically, I would suggest to Congress that it plan the financing of the old-age insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to—

Amounting to what? This is the crux of the whole thing—

> amounting to not more than three times the highest prosepctive annual benefits in the ensuing 5 years.

That is the rule laid down by Secretary Morgenthau. The distinguished Senator from New York [Mr. WAGNER] can discount that rule as he pleases. He can try to indicate that we have distorted its application. The fact remains that the Secretary of the Treasury himself has never repudiated the rule, and we have never heard one single word from him in respect to its withdrawal. According to the Secretary of the Treasury in 1939 the rule, which we wrote by implication into the text of the statute itself, is that under contingent reserves the only reserve required for old age and survivors insurance is a reserve which is three times the highest contemplated annual expenditure in the next 5 years.

There it stands. That is the rule recommended by the Secretary of the Treasury; and he has never taken it back. There it stands by implication in the statute itself. But what are the facts?

The facts are that the old-age reserve on June 30 last was $5,450,000,000. The facts are that the highest expenditure in the next 5 years will be between $450,000,000 and $700,000,000, according to the estimates of the Social Security Board.

Mr. LUCAS. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Michigan yield to the Senator from Illinois?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Will the Senator disclose to me upon what that figure is based?

Mr. VANDENBERG. That figure is the official estimate of the Social Security Board, in contemplation of the expenditures in 1949 for the payment of benefits under the old-age and survivors insurance section of the law.

Mr. LUCAS. In other words, they testified before the committee that during the next 5 years the anticipated expenditure from this fund would be only $500,000,000; is that correct?

Mr. VANDENBERG. It will be between $450,000,000 and $700,000,000. They give that much latitude in the estimate, because it is difficult to make a specific and concrete estimate.

Mr. LUCAS. Then, if any more money is spent out of the fund it will be necessary, will it not, for the Congress, through legislation, to change the rate of employment compensation?

Mr. VANDENBERG. This has nothing to do with unemployment compensation.

Mr. LUCAS. I do not mean that. Of course under the present law payments in a certain amount are provided in the way of benefits.

Mr. VANDENBERG. That is correct.

Mr. LUCAS. Benefits are to be paid in a certain amount. If any more money than the $700,000,000, to which they have testified, would have to come out of the fund, it would be necessary for Congress to raise the amount which is to be paid; is that correct?

Mr. VANDENBERG. No; it is not at all correct. If the Senator will permit me to finish stating the computation, I think perhaps he will find his answer in the final figure I shall reach. If I fail to do so, I ask the Senator to interrupt me again.

Let us start again with the computation. The rule is, according to the Secretary of the Treasury, and by implication in the statute itself, that the reserve is adequate when it is three times the highest contemplated expenditure in the next 5 years. The highest contemplated expenditure will be in 1949, when it will be somewhere between $450,000,000 and $700,000,000. On June 30 the reserve, without any increase by way of new taxation, was $5,450,000,000.

In other words, the existing reserve, without a penny added to it, is from 8 to 12 times the highest contemplated expenditure, instead of only 3 times the highest contemplated expenditure, as recommended as our basic rule by the Secretary of the Treasury.

Does that answer the Senator's question?

Mr. LUCAS. That partially answers my question; but this afternoon I have listened to the distinguished senior Senator from New York [Mr. WAGNER] and the distinguished junior Senator from Montana [Mr. MURRAY], and they have constantly spoken about the economic conditions which will prevail in the country at the end of the present war because of lack of employment; and they have constantly argued, as I have understood their remarks, that the reserve fund can scarcely be too large in the event that we meet certain social and economic conditions which we all know we will eventually meet.

The inquiry I was making was whether the reserve fund, which the Senator has just said is now eight or nine times more than it is estimated will be needed, can be used to take care of persons who will be unemployed at the end of the war.

Mr. VANDENBERG. Mr. President, I must say to the Senator again that this has nothing to do with unemployment. A person qualifies for benefits under the old-age and survivors insurance system only when he has reached the age limit fixed in the statute. It has no relationship to unemployment.

Mr. LUCAS. That was my understanding. Perhaps I misunderstood the

distinguished senior Senator from New York, but I thought he was constantly talking about the question of men being unemployed after the war is over.

Mr. VANDENBERG. I thought the Senator from New York did have a good deal to say about that; but I thought that most of the time while he was speaking—and I regret his absence from the Chamber at this time—the Senator from New York was not discussing the very narrow issue which confronts the Senate today.

Mr. LUCAS. Mr. President, I must confess that I could not quite follow the argument with respect to the basic principles of the Social Security Act, and I rose for the purpose of making inquiry of the Senator.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CHANDLER. Did I correctly understand the Senator to say that even if the tax were to go up 1 percent, there still would not be any additional benefits collected by the beneficiaries under the act?

Mr. VANDENBERG. That is entirely correct. All the benefits are stated in the law, and the benefits stay at those figures, regardless of what the tax is.

Mr. CHANDLER. There is ample money on hand to meet all the expected benefits; is there?

Mr. VANDENBERG. There is infinitely more money than the Social Security Board ever anticipated would be in the fund at this time. In fact, I will say to the Senator from Kentucky—and I think this is a rather conclusive exhibit—that, under the 1-percent tax, in 1945 we will collect as much money as the Social Security Board contemplated would be collected at 2 percent, when they originally wrote the law.

Mr. CHANDLER. I thank the Senator very much.

Mr. DANAHER and Mr. ELLENDER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield, and if so, to whom?

Mr. VANDENBERG. I will yield first to the Senator from Connecticut; but, if the Senator will permit me, before we leave that point, in order to make it perfectly clear that no question of solvency is involved, I wish to point out the enormous margin existing today in respect to current payments. During the last fiscal year the benefit payments were $185,000,000. To pay $185,000,000 in benefits we collected $1,300,000,000 in taxes. That mere comparison does not for an instant mean that we were not justified in the larger collection, because obviously the major burden of the collection is for the purpose of building up a reserve. But when we have a gap of that size, I can see no remote possibility of worrying about what is going to happen in respect to the post-war era to which the able Senator from Illinois has referred. I think everyone, including the Social Security Board, would freely concede that no remote problem is involved for at least 20 years, even though we keep the rates where they are.

Mr. REVERCOMB. Mr. President, will the Senator yield to me at this point?

Mr. VANDENBERG. I yield first to the Senator from Connecticut.

Mr. DANAHER. Mr. President, I thank the Senator. He has substantially covered the point I was about to emphasize, except that he did it on annual basis, whereas I was going to do it on a monthly basis. Even at present rates the yield is so great and the excess is so great that we are adding to reserves in an amount in excess of $100,000,000 a month.

Mr. VANDENBERG. I thank the Senator. On that proposition and on the proposition of the Senator from New York that we must be sure to maintain this as a contributory system—to which I agree—I wish to read one paragraph from a report made by the Tax Foundation on Social Security, in New York City, released on November 25, 1944, and compiled under the direction of Dr. Harley L. Lutz, professor of public finance at Princeton University. I ask Senators to listen to this paragraph:

> Here is presented a grave issue of public policy. According to the results of this study, if the terms of the present law relative to tax rates and benefits were to operate without change, workers and employers will pay in taxes $37,836,000,000 more, to 1980, than the beneficiaries of old-age and survivors insurance are to receive, after meeting the administrative costs.

Then, says the Tax Foundation, which is an authority which has to be given substantial credence:

> The futility of piling up a so-called reserve as a means of lightening future taxation has already been discussed. Whether workers and employers should be required to pay so heavily toward general Federal purposes under the guise of providing for social-security benefits which are thereafter presumed to be burdenless because of that taxation is a subject which should be frankly faced. This becomes the more important since it is obvious that excess taxation now will not spare future taxpayers from having to pay the full cost of such benefits as may be provided to the aged population of their own generation.

When the able Senator from New York raises the point that we may endanger the solvency of this fund, and that we may endanger public confidence in the solvency of the fund, I wish to submit to the Senate, because it bears directly on the question, that it is absolutely impossible for the fund to become insolvent because last year we adopted the Murray amendment to the bill, which dedicated the entire public credit of the general tax law to any deficit which might ever occur in the operation of the old-age and survivors insurance system. So there can be no misunderstanding about the solvency and sanctity of the trust, so long as there is any solvency and sanctity in the total public credit of the United States.

Furthermore, although this tax is supposed to increase to 2½ percent in 1946 and to 3 percent in 1948—and that is the part of the sacrosanct formula which the Senator from New York has indicated we must preserve lest there be some doubt cast on the solvency of the social-security fund—I call attention to the fact that the Social Security Board itself is now prepared to compromise this entire issue by fixing a permanent 2-percent tax and abandoning the proposed increase subsequently to 2½ percent and to 3 percent.

Mr. President, if it is not sacrosanct to carry the taxes on as required by statute to 2½ percent in 1946 and to 3 percent in 1948, neither is it sacrosanct to be required to pay 2 percent in 1945, when all the figures indicate that 1 percent is all that is needed in order to sustain the system under the fiscal rule recommended by the Secretary of the Treasury himself.

Mr. SHIPSTEAD rose.

Mr. VANDENBERG. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. A question arises in my mind. A surplus now exists which is greater than what it is contemplated will be expended in the next 3 years. Is it not true that that surplus is to be put into a special fund in the Treasury with an I O U placed there, and that subsequently these funds are to be spent for general expenses?

Mr. VANDENBERG. The Senator has asked a very difficult question. I will try to answer the Senator, and I shall ask him to try to follow me carefully as I proceed.

Mr. SHIPSTEAD. I shall be very glad to do so.

Mr. VANDENBERG. When the social-security tax is collected, it goes into the General Treasury and is disbursed against the general expenditures of the Government. The Congress then appropriates to the use of the Social Security Board the amount necessary for its annual administrative costs.

Mr. SHIPSTEAD. The Senator is correct.

Mr. VANDENBERG. And the remainder of the collections is appropriated to reserves.

Mr. SHIPSTEAD. Yes.

Mr. VANDENBERG. Whereupon the Treasury gives the Social Security Board United States bonds covering the latter amount. The Senator has asked if that is not merely an I O U.

Mr. SHIPSTEAD. Yes.

Mr. VANDENBERG. I rather think it is.

Mr. SHIPSTEAD. Yes.

Mr. VANDENBERG. I rather think that when one branch of the Government hands bonds of the Government to another branch of the same Government it is like putting a slip in the cashier's box.

Mr. SHIPSTEAD. The money is spent for general expenditures.

Mr. VANDENBERG. Yes.

Mr. SHIPSTEAD. And when the bonds have to be paid it will be necessary again to tax the people.

Mr. VANDENBERG. We do not tax those same people again, but the people generally.

Mr. SHIPSTEAD. The people who have paid the first tax, being part of the general public, will be taxed again. That is what I wanted to make clear.

Mr. VANDENBERG. The Senator may be correct. I do not wish to leave any unfair implication at that point.

There is no other way in which it is possible to have a reserve in a public-tax-supported institution except in Government bonds, and they will be in the nature of I O U's. That is perfectly inevitable. Precisely the same thing may be said with reference to reserves of the Federal Deposit Insurance Corporation. The reserves consist of Federal bonds. They are I O U's, if we wish to call them that, but there is no other way by which to create a reserve.

Mr. SHIPSTEAD. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. SHIPSTEAD. I agree with what the Senator has said. But that is what I consider to be the most important reason why we should not raise the tax. The more we tax, the more will be put into general expenditures, the greater will be the interest which the bonds will draw, and the more it will become necessary to draw on the general public to replenish the funds which have been expended.

Mr. VANDENBERG. I think the Senator is entirely justified in the statement which he has made. I will go a step further. I think this example will clearly demonstrate the futility of accumulating a large reserve in a public institution of this nature.

It is proposed to have in this reserve fund, under the original prospectus, $50,000,000,000 by 1980. For the sake of calculation, suppose the money were in 3-percent Government bonds. At the rate of 3 percent the interest in 1980 would be $1,500,000,000. Suppose that in 1980 the Social Security Board needs for its operation the billion and a half dollars which it will have collected in interest. Congress must raise that billion and a half dollars by general taxation in order to pay the interest on the bonds.

Mr. SHIPSTEAD. The Senator is correct.

Mr. VANDENBERG. The taxpayers would not pay any more if Congress raised this sum two and one-half billion dollars as a direct contribution to social security. But if we follow the latter course, we shall not have had an accumulation of $50,000,000,000 in the meantime. That is the fundamental reason why the character of the entire system was changed in 1939. We left this gargantuan reserve behind us deliberately and consciously, and turned to a system which contemplates only a contingent reserve in order to take care of contingencies, as the definition of the word itself indicates.

Mr. President, I wish to conclude, but I want the RECORD to be very clear. I believe that the best witness in America on this subject, and the most competent analyst of a subject of this kind, is Mr. M. Albert Linton, of Philadelphia, president of the Provident Mutual Life Insurance Co. of Philadelphia. Mr. Linton has been a constant adviser to the Government with respect to all old-age and social-security matters. He was a member of the advisory council which rendered excellent service in 1939 in the perfection of the law. Mr. Linton appeared as a witness when the bill was before the House Ways and Means Committee. I wish to present a summary of Mr. Linton's reasons why we should vote for another freeze, or why we should vote for the pending bill. Mr. Linton summarized the case as follows:

1. Ample funds are available at the present 2-percent rate to meet all requirements for several years to come. The current tax yield is about seven times the current outgo of around $200,000,000. The O. A. S. I. (old-age and survivors insurance) trust fund is approaching $6,000,000,000 and is growing fast.

In other words, Mr. Linton's point No. 1 is that ample funds are already available.

2. It is obvious that the provision in the present law that the current tax yield should be approximately three times the current outgo, which was adopted at Secretary Morgenthau's suggestion, is at variance with the schedule of tax rates in the law. A careful review of the whole situation needs to be made. Since there is no emergency, the present tax rate should be retained while such a policy is being formulated in the first half of 1945.

3. Raising the social-security tax rate to meet war expenses—

Which is the point, incidentally, raised by the distinguished Senator from Minnesota—

would be unsound.

I should go further than that. The use of the social-security tax trust fund, directly or indirectly, for any purpose on earth except social-security purposes is a violation of a public trust in the rankest possible degree. Says Mr. Linton further:

It is dangerous to use these taxes for extraneous purposes.

But that is what is being done.

It would set a bad precedent for diverting social-security funds later into other channels. They should be applied solely to meet social-security needs.

4. Raising the social-security tax rate as an anti-inflationary measure would also be unsound. Anti-inflationary taxes should be openly and frankly levied for that purpose, and then repealed when no longer needed. To the extent that social-security taxes are anti-inflationary now, they would be deflationary in times of normal and subnormal business when the Government would wish to maintain mass purchasing power.

I submit that section of Mr. Linton's testimony particularly to the able Senator from Illinois, as applying to the inquiry he made of me. In the post-war period, to which the Senator from Illinois referred, when there may be a lag and a point at which there is economic difficulty in the United States, the fundamental need will be to sustain, so far as possible, the mass buying power of the American people, and I know of no poorer way to support the mass buying power of the American people than needlessly to double a pay-roll tax upon the masses of workers of this country.

Mr. SHIPSTEAD. Does not that amount to an income tax, to all intents?

Mr. VANDENBERG. Yes; and on the lowest-income groups in the country. That is exactly what it is, if my contention is correct.

Mr. Linton's fifth reason is:

5. To increase social-security taxes unnecessarily would impose unjustified burdens on small business and white-collar workers. Big business would not feel the burden to the same extent, because so much of it would be shifted to the Treasury Department. Social-security taxes paid by a business are deductible in computing the income that is subject to high wartime income and excess-profits taxes.

We would not be doing anything for big business by freezing this tax, but we would be doing infinitely much for little business, and particularly for the white-collar workers.

Mr. Linton's sixth reason is as follows:

6. An increase in social-security taxes would increase the already large excess of income over outgo in the O. A. S. I. system. Especially if continued year after year, this situation would encourage raids on the fund either to be used (borrowed) for extraneous purposes or to liberalize the benefit formula unwisely. It is unlikely that the actuaries' calculations of liabilities on what may happen in 20 or 30 years hence would deter the raiders. Current conditions would have much more influence.

7. It is true that a generation hence the costs of old-age pensions will probably exceed the 6-percent pay-roll-tax receipts eventually contemplated by the present law, and that a Government subsidy to make up the difference would be needed. But this would be in line with practically all old-age-security systems in other countries. Moreover, as we have in effect adopted a pay-as-you-go system with a contingency reserve, a subsidy to the system would merely mean that another kind of tax would be substituted for a high pay-roll tax—

That is precisely the example I gave to the Senator from Minnesota—

Subsidies to the system of a reasonable amount are nothing to become alarmed about. The chief danger to the system is an unwise increase in the benefit formula which would make the total tax burden excessive. An extension of the coverage of the old-age and survivors insurance system to include other groups of workers would prevent the injustice to these workers that might otherwise come through contributing to benefits in which they do not share.

Eighth, and finally, Mr. Linton says:

8. The old-age and survivors insurance tax rate should be held at this time to 1 percent on the employer and 1 percent on the employee, but a comprehensive expert study of the whole financing system should be immediately undertaken.

Mr. President, I conclude with just this word: I think the case for the maintenance of the 1-percent rate during 1945 is absolutely clear on the basis of the record, on the basis of the law, on the basis of the Morgenthau rule. I freely concede, however, that it is all wrong for this subject to have to come to the floor of Congress every year for shotgun judgment by those of us who cannot possibly have the expert knowledge which is essential to a comprehension of this totally technical problem.

In the bill I introduced in the Senate on this subject there was a second section in which I propose to instruct the Joint Congressional Committee on Internal Revenue Taxation to investigate during the next year, with the aid of an advisory council of experts, the ques-

tion of what permanent pay-roll-tax provision should be written into the statute. The House omitted that section of the proposal, although it promised, unofficially, that the Ways and Means Committee of the House would give it subsequent attention.

I totally agree that we have to find some way out of this annual controversy on the floor of Congress so that there can be a stable consistency over a long-range plan at the base of the old-age and survivors insurance section of the social security law.

I give notice that the first thing in the new Congress I shall introduce a joint resolution seeking not only to instruct the Joint Congressional Committee on Internal Revenue Taxation to investigate and explore this subject itself but also to create another advisory council of experts on the subject, and providing that their studies shall include not only the appropriate tax rate contemplatively involved but also the expansion of coverage and the expansion of benefits under the old-age section of the social security law, so that 12 months from today we may have a concrete, well-justified, wholly sustained program for expanding coverage, and for expanding benefits, in those sections of the law which are at present inequitable, and for permanently financing the entire enterprise.

Mr. President, particularly in view of the fact that in 1945, it is obvious, the entire structure of the Social Security Act is to be rewritten, I submit, finally, that it is the year of years when we should maintain the existing tax rate, and wait for developments to determine what the tax rate of the future shall be.

I submit that the bill which was passed so overwhelmingly by the House should be equally overwhelmingly endorsed by the Senate.

Mr. CHANDLER. Mr. President, will the Senator yield before he takes his seat?

Mr. VANDENBERG. I yield.

Mr. CHANDLER. I think the Senator made it quite clear, but I wish to emphasize this one point, that even if the tax were raised, the beneficiaries under this section of the bill would not get any additional benefits next year.

Mr. VANDENBERG. The Senator is entirely accurate.

Mr. CHANDLER. I do not want anyone to say that if I vote for 1 percent I deny anyone benefits he would have gotten if I had voted for 2 percent.

Mr. VANDENBERG. It is perfectly amazing how that situation has been misrepresented. The Senator is absolutely correct. The benefits are frozen in the law. The benefits will be the same no matter what may be paid next year by the workers of the Nation.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WHEELER. There is one question which I think possibly the Senator covered, but I did not quite catch his explanation. Suppose, as the Senator from New York has said, there should be great unemployment following the war. How is that to be taken care of? Will there be enough money in the Treasury funds to take care of that, or will we have to raise the amount necessary at that time? How is that to be worked out?

Mr. VANDENBERG. The Senator understands, in the first place, that this has absolutely no relationship to unemployment-benefit payments. It applies solely to old-age pensions.

Mr. WHEELER. I understood the Senator was talking about unemployment.

Mr. VANDENBERG. That is what the Senator from New York was talking about, but I stated a little while ago that that is one of the points which seems to me entirely irrelevant in connection with this discussion, because it is totally unrelated.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Following up the inquiry made by the Senator from Montana [Mr. WHEELER], I want to try to make it clear to my own mind and clear to the minds of other Senators that this reserve fund is definitely for one purpose, and that is for aged persons and their survivors, and nobody else.

Mr. VANDENBERG. That is all; and only for those who have already made the payments and created the contracts.

Mr. LUCAS. Yes, I understand. Now the only way that this reserve fund which the Senator is speaking of, which is so large, can be reached by any group of people, is through the Congress, I take it, increasing the benefit payments to the aged persons and their survivors.

Mr. VANDENBERG. The Senator is correct.

Mr. DANAHER. Mr. President, I want to congratulate those Senators who have found it possible to be present to listen to the splendid presentation just made by the Senator from Michigan. It was a noteworthy exposition of the problem which has confronted the Senate in connection with this legislation.

There was one remark, however, made by the Senator from Michigan, which interested me particularly, and that was his advice that at the opening of the next session of Congress he contemplates asking for a study by the joint staff. That bears, I might say, on his observation that there is no other way—and I think those are his words—no way to invest the proceeds of the old-age and survivors insurance trust fund other than in United States bonds. I think those were his exact words.

Mr. President, I think there may be another way, and I would not wish to have the possibility of another way overlooked at the time of that study. It is entirely possible that with a Government guaranty, the fund can be invested in the obligations of self-liquidating Government projects which will earn their way and pay their interest and carrying charges, and at the same time supply a very real public need, particularly if those obligations be issued only when private lending sources would not advance the capital.

There is a way, therefore, Mr. President, in which it might be decided this reserve can be put to work, and there are instances of it in various States. I will say to the Senator from Michigan, for example, that in the State of Connecticut, since 1795, there has been maintained intact the State school fund, all the proceeds of which were derived from the sale of the Western Reserve. A great part of the State of Ohio, whose junior Senator I see watching me at the moment, came from the property once known as the Connecticut or Western Reserve. When Connecticut sold that territory, Mr. President, there was set up a fund which annually has yielded great income and at the present time it yields a sum equal at least to $2.25 per pupil for every child between the ages of 5 and 16 years, the enumerable school ages in the State of Connecticut. All down through the years those funds have been invested in mortgages in the State of Connecticut, which are given prior status even over taxes of municipalities. Thus the fund is wisely administered and fully protected.

There are many ways, Mr. President, in which this fund could in fact be conserved and still be put to work, but one in particular, to which I shall refer briefly, seems to me worthy of study. I have in mind that when it was contemplated by the Port of New York Authority that they build the Lincoln Tunnel there were no investment sources which would take the obligations of the Port of New York Authority for that purpose. The R. F. C. took the obligations. The R. F. C. found the project was self-liquidating, and when operations were undertaken and the tunnel was successful, there was no trouble whatever in selling the obligations.

So it seems to me, Mr. President, there might be self-liquidating Government projects and other worth-while developments which the Government planning experts might explore and their findings might be considered in the course of the study which the Senator from Michigan contemplates.

The ACTING PRESIDENT pro tempore. The bill is still before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall the bill pass?

Mr. VANDENBERG. I ask for the yeas and nays.

Mr. GUFFEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Eyrd	George
Austin	Capper	Gerry
Bailey	Caraway	Gillette
Ball	Chandler	Guffey
Bilbo	Connally	Gurney
Brewster	Cordon	Hall
Brooks	Danaher	Hatch
Burton	Davis	Hayden
Bushfield	Ellender	Hill
Butler	Ferguson	Holman

Jenner	Mead	Thomas, Okla.
Johnson, Calif.	Millikin	Tunnell
Johnson, Colo.	Murray	Vandenberg
Kilgore	O'Daniel	Wagner
La Follette	Overton	Walsh
Langer	Radcliffe	Weeks
Lucas	Reynolds	Wheeler
McClellan	Robertson	Wherry
McFarland	Russell	White
McKellar	Shipstead	Wiley
Maloney	Smith	Willis
Maybank	Stewart	Wilson

The ACTING PRESIDENT pro tempore. Sixty-six Senators have answered to their names. A quorum is present.

The yeas and nays have been demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HILL (when Mr. BANKHEAD'S name was called). My colleague the senior Senator from Alabama [Mr. BANKHEAD] and the senior Senator from Missouri [Mr. CLARK] are necessarily absent. The Senator from Alabama and the Senator from Missouri are paired on this question. I am advised that if present and voting the Senator from Missouri would vote "yea" and the Senator from Alabama would vote "nay."

Mr. WHERRY (when Mr. REVERCOMB'S name was called). The junior Senator from West Virginia is necessarily absent. I am informed that if he were present and voting he would vote "yea."

The roll call was concluded.

Mr. HILL. I further announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN] the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Kentucky [Mr. BARKLEY]; the Senator from Florida [Mr. ANDREWS] is paired with the Senator from Rhode Island [Mr. GREEN]; the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Florida [Mr. PEPPER]; and the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Utah [Mr. THOMAS]. I am advised that if present and voting, the Senator from Ohio [Mr. TAFT], the Senator from Florida [Mr. ANDREWS], and the Senators from New Hampshire [Mr. TOBEY and Mr. BRIDGES] would vote "yea." The Senator from Kentucky [Mr. BARKLEY], the Senator from Rhode Island [Mr. GREEN], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from Nevada [Mr. SCRUGHAM]. I am not advised how either Senator would vote if present. I vote "nay."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Utah [Mr. THOMAS]. If present the Senator from New Hampshire would vote "yea," and the Senator from Utah would vote "nay."

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Kentucky [Mr. BARKLEY]. If present the Senator from Ohio would vote "yea," and the Senator from Kentucky would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is paired on this question with the Senator from Florida [Mr. PEPPER]. If present the Senator from New Hampshire would vote "yea," and the Senator from Florida would vote "nay."

The Senator from Delaware [Mr. BUCK], the Senator from West Virginia [Mr. REVERCOMB], the Senator from New Jersey [Mr. HAWKES], and the Senator from Idaho [Mr. THOMAS] are necessarily absent. These four Senators would vote "yea" if present.

The Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], and the Senator from Kansas [Mr. REED] are necessarily absent.

The result was announced—yeas 47, nays 19, as follows:

YEAS—47

Austin	Ferguson	Reynolds
Bailey	George	Robertson
Bilbo	Gerry	Shipstead
Brewster	Gillette	Smith
Brooks	Gurney	Thomas, Okla.
Burton	Hall	Tunnell
Bushfield	Holman	Vandenberg
Butler	Jenner	Walsh
Byrd	Johnson, Calif.	Weeks
Capper	Johnson, Colo.	Wheeler
Chandler	McClellan	Wherry
Connally	Maybank	White
Cordon	Millikin	Wiley
Danaher	O'Daniel	Willis
Davis	Overton	Wilson
Ellender	Radcliffe	

NAYS—19

Aiken	Kilgore	Mead
Ball	La Follette	Murray
Caraway	Langer	Russell
Guffey	Lucas	Stewart
Hatch	McFarland	Wagner
Hayden	McKellar	
Hill	Maloney	

NOT VOTING—29

Andrews	Glass	Revercomb
Bankhead	Green	Scrugham
Barkley	Hawkes	Taft
Bridges	McCarran	Thomas, Idaho
Buck	Moore	Thomas, Utah
Chavez	Murdock	Tobey
Clark, Idaho	Nye	Truman
Clark, Mo.	O'Mahoney	Tydings
Downey	Pepper	Wallgren
Eastland	Reed	

So the bill, H. R. 5564, was passed.

Mr. HILL. Mr. President, I ask unanimous consent that the President of the Senate be authorized to sign the bill which has just been passed during the recess of the Senate.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF SECOND WAR POWERS ACT OF 1942

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement, the next business is House bill 4993, which the Chair lays before the Senate.

The Senate proceeded to consider the bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942.

Mr. HATCH. Mr. President, I promise the Senate that I shall not engage in any extended remarks. I wish to say to Senators that they will never be called upon to vote on a more important bill than the one now before the Senate.

This measure extends the powers conferred by the Second War Powers Act. Under that act, Mr. President, all the vast productive machinery of this country has been regulated to produce the magnificent effort and contribution which industry has made to the war effort. Automatically the act expires on the 31st day of this month.

Yesterday, as he appeared before the Mead committee dealing with the national defense, I asked Mr. Krug, Chairman of the War Production Board, what would happen if this act should not be extended. He replied:

> Senator, I was startled when you said the act expired on the 31st day of this month. I had not realized it. I can answer you by saying that if the powers conferred by this act are not extended the entire war effort will collapse.

I say, Mr. President, that there is no doubt as to the correctness of that statement. Of course, I told Mr. Krug, as I have told others, that there was no question about the Congress extending the powers conferred by that act, and that it would be done immediately.

The bill passed the House with an amendment, and it is that amendment with which I should deal, or ought to explain, if Senators are interested. If they are not, I am willing to have a vote at this time. The amendment adopted by the House would simply confer the right of judicial review in cases involving what are called suspension orders. On that point I am sure the Senator from Connecticut [Mr. DANAHER] wishes to make an observation. I yield to the Senator from Connecticut.

Mr. DANAHER. Mr. President, inviting the attention of the Senator from New Mexico to page 2, line 11, we find there the words "any order suspending any priority or allocation."

I point out that this amended section would give the district courts exclusive jurisdiction to enjoin or set aside certain orders which are described in the language which I have just quoted. Since that language was open to very real question as to the exact meaning of what jurisdiction the court would have, and how that jurisdiction would be

exercised, I took the matter up with the Senator from New Mexico, in charge of the bill, to the end that we might establish, if necessary by colloquy, some legislative background as to the meaning of those words. It is my understanding that the words "any order suspending" really should read "any suspension order affecting."

Mr. HATCH. Mr. President, let me say to the Senator that the words which he has just used, "any suspension order," are the words which I have always used.

Mr. DANAHER. And they are the correct words.

Mr. HATCH. That is the correct designation.

Mr. DANAHER. They define the powers which we are authorizing the district courts to exercise if and when some War Production Board commissioner or hearing authority issues a suspension order against a contractor who has violated a previous allocation or priority. Is that the Senator's understanding?

Mr. HATCH. The Senator from Connecticut has correctly stated the situation.

Mr. President, I think Senators understand the bill. I see no reason for prolonging the debate.

Mr. CONNALLY. Mr. President, I wish to ask the Senator from New Mexico whether it is the purpose to make the act terminate on the action of the President or by the adoption by Congress of a concurrent resolution?

Mr. HATCH. I can best answer the Senator from Texas by reading from the bill itself, which provides, first, that the Second War Powers Act "shall remain in force only until December 31, 1945"—an extension for 1 year—"or until such earlier time as the two Houses of Congress by concurrent resolution, or the President may designate."

Mr. CONNALLY. I wish to suggest to the Senator that, according to my mind, legally that is not effective. It is all right to provide that the act shall be terminable when the Congress passes a joint resolution, but Congress cannot by the adoption of a concurrent resolution repeal the act or keep it from continuing in effect.

I think the language should have read, "or until such earlier time as the two Houses of Congress may adopt a concurrent resolution."

Mr. HATCH. I think the Senator from Texas has a very good point there, but I do not think it is one which should be made the subject of an amendment.

Mr. CONNALLY. I shall not offer an amendment and I shall not press the point; but I wish to call the attention of the Senator to the fact that an act can be terminated upon the occurrence of any event, and in order to make this provision legal it is simply necessary to consider the adoption of a concurrent resolution as an event, not as an end, because an act cannot be repealed by a concurrent resolution of the Congress. We could condition it on the occurrence of any event, such as the fall of a star, or anything else.

Mr. HATCH. I understand.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. DANAHER. In the report of the Committee on the Judiciary, commencing two-thirds of the way down the second page, we find the words "Changes in existing law." From that point, down through the remainder of the report, there is set forth "Title III—Priorities powers", together with changes as indicated on page 5. It seems to me, Mr. President, that that portion of the report need not be reprinted, and that no useful purpose would be served by having it set forth in the RECORD. But I think the Senator from New Mexico would be wise to include all of page 1 and all of page 2 of the report of the committee, down to the point I indicated.

Mr. HATCH. Mr. President, does the Senator mean to have that much of the report included as a part of the remarks appearing in the RECORD at this point?

Mr. DANAHER. Yes; I think it would be well to have it included as a part of the remarks.

Mr. HATCH. I shall be very glad to do so. Mr. President, I ask unanimous consent that that be done.

There being no objection, the portion of the report (No. 1301) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to whom was referred the bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942, having considered the same, do now report the bill to the Senate favorably, without amendment, and recommend that the bill do pass.

STATEMENT

This bill would amend the Second War Powers Act (act approved March 27, 1942, Public Law No. 507, 77th Cong., 56 Stat. 176) in two respects, as follows:

1. Extends the life of titles I to VII, inclusive, and of titles IX, XI, and XIV of the Second War Powers Act, and the amendment to any existing law made by any such title, from December 31, 1944, to December 31, 1945, subject to earlier termination by concurrent resolution of the two Houses of Congress, or by order of the President.

2. Adds a new section (9) to title III of the Second War Powers Act, which section (9) follows:

"(9) The district courts of the United States are hereby given exclusive jurisdiction to enjoin, or set aside, in whole or in part, any order suspending any priority or allocation, or denying a stay of any such suspension, that may have been issued by any person, officer or agency, acting or purporting to act hereunder, or under any other law or authority.

"Any action to enjoin or set aside any such order shall be brought within five days after the service thereof.

"No suspension order shall take effect within five days after it has been served, or, if an application for a stay is made to the issuing authority within such five-day period, until the expiration of five days after service of an order denying the stay.

"The venue of any such suit shall be in the district court of the United States for the district in which the petitioner has his principal place of business; and the respondent shall be subject to the jurisdiction of such court after ten days before the return day of the writ, either when (1) process shall have been served on any district manager or other agent of the respondent of similar or superior status; or (2) notice by registered mail shall have been given to respondent, or to the office of the Attorney General of the United States."

This amendment gives the district courts of the United States exclusive jurisdiction to enjoin or set aside, in whole or in part, any order suspending any priority or allocation, or denying a stay of any such suspension, that may have been issued by any person, officer, or agency acting or purporting to act under that title, or under any other law or authority; fixes the time limit within which any such action must be brought; and fixes the venue of any such suit both as to petitioner and respondent, as well as the modus operandi to render the respondent subject to the jurisdiction of the district court issuing the writ of injunction.

The purpose of this amendment is to assure any holder of a priority or allocation granted by any person, officer, or agency, under title III, or under any other law or authority, whenever the same may have been ordered suspended by the issuing authority the right to invoke the aid of the United States district court for the district in which the petitioner has his principal place of business, to enjoin any such suspension order, and to give that district court jurisdiction both of the subject matter and of the issuing authority.

The amendment applies only to "suspension orders," which are orders withholding or withdrawing priorities or allocations because of violations of the regulations or orders of the agency issuing the suspension order. It is not intended to and does not apply to allocation or priority orders or decisions made by the agency nor to cases where such allocations or priorities must be modified or revoked because of changing supply conditions or changes in war or essential civilian needs. Also the amendment does not affect the provision for judicial review of suspension orders contained in the Stabilization Extension Act of 1944 with respect to the Office of Price Administration suspension orders. Thus, the provision in that Act, conditioning interlocutory relief upon the entry of an order enjoining the applicant for violations pending review, remains in effect as to suspension orders issued by the Office of Price Administration.

The ACTING PRESIDENT pro tempore. If there be no amendments to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill, H. R. 4993, was passed.

BILLS AFFECTING THE DISTRICT OF COLUMBIA

Mr. GEORGE obtained the floor.

Mr. BILBO. Mr. President, will the Senator yield to me?

Mr. GEORGE. Does the Senator wish to move to have the Senate take up certain District of Columbia measures at this time?

Mr. BILBO. Yes; I wish to have certain District of Columbia bills considered at this time.

Mr. GEORGE. I yield to the Senator from Mississippi.

Mr. BILBO. Mr. President, yesterday, by agreement with the majority leader and the minority leader, it was agreed that at 5 o'clock today the Senate would

lay aside the unfinished business for the purpose of considering and passing certain bills for the District of Columbia, some of which relate to matters which are emergencies. Therefore, I wish to ask unanimous consent that certain District of Columbia bills be considered, beginning with Calendar No. 1212, House bill 1951.

Before asking that the Senate consider the bills, I desire to say that the Committee on the District of Columbia considered the various House bills, and, with one or two exceptions, they were approved by the committee without any amendment whatsoever. The bills have met with the approval of the minority leader, who sits on the other side of the aisle, after he had consulted the members of the committee.

There is nothing extraordinary about any of the bills, but they constitute very necessary legislation, and some of them are emergency matters. For instance, one of them relates to the inauguration of the President.

So, Mr. President, I ask unanimous consent that the Senate proceed to consider the bills to which I have referred, beginning with Calendar No. 1212, House bill 1951.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi has asked unanimous consent that the Senate proceed to the consideration of certain measures relating to the District of Columbia, beginning with Calendar No. 1212, House bill 1951. Is there objection?

Mr. WHITE. Mr. President, reserving the right to object, let me say, especially for the information of Senators on this side of the Chamber, that I have consulted, so far as it has been possible to do so, the minority members of the committee, and I know of no objection—I speak for the minority of the committee at the moment—to these bills.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will proceed to state the bills referred to, beginning with Calendar No. 1212, House bill 1951.

AMENDMENT OF DISTRICT OF COLUMBIA MOTOR VEHICLE PARKING FACILITY ACT OF 1942

The bill (H. R. 1951) to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942, was considered, ordered to a third reading, read the third time, and passed.

PREVENTION OF ATTACHMENT OR GARNISHMENT OF SALARY OR WAGES IN THE DISTRICT

The bill (H. R. 2116) to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment, was considered, ordered to a third reading, read the third time, and passed.

GRANTING OF ADDITIONAL POWERS TO DISTRICT COMMISSIONERS

The Senate proceeded to consider the bill (H. R. 2644) to grant additional powers to the Commissioners of the District of Columbia, and for other purposes.

Mr. BILBO. Mr. President, Mr. West, the Corporation Counsel for the District of Columbia, has submitted an amendment which would make the bill apply to sureties on the bonds involved. I offer the amendment, and send it to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 4, in line 10, it is proposed to strike out the period, and insert a colon and the following: *"Provided, however,* That nothing in this section shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries, as the case may be."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REGULATION OF PRACTICE OF THE HEALING ART

The bill (H. R. 3150) to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF MOTOR-VEHICLE TRAFFIC AND INCREASE OF NUMBER OF JUDGES OF POLICE COURT

The bill (H. R. 3313) to amend section 10 of the act of March 3, 1925, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended, was considered, ordered to a third reading, read the third time, and passed.

DISPOSAL OF DEAD HUMAN BODIES IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3619) to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF MOTOR-VEHICLE TRAFFIC AND INCREASE OF NUMBER OF JUDGES OF POLICE COURT

The bill (H. R. 3621) to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," was considered, ordered to a third reading, read the third time, and passed.

APPOINTMENT OF NOTARIES PUBLIC BY DISTRICT COMMISSIONERS

The bill (H. R. 3720) to authorize the Commissioners of the District of Columbia to appoint notaries public was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF DISTRICT HEALTH REGULATIONS TO GOVERNMENT RESTAURANTS

The Senate proceeded to consider the bill (H. R. 4867) to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia.

Mr. BILBO. Mr. President, House bill 4867 is a measure providing for proper sanitary inspection of all restaurants now being conducted by Government agencies in the District of Columbia. After the committee reported the bill, I discovered that it would apply to the House and Senate restaurants, which are under the Rules Committee of the Senate and the House and under Mr. Lynn, the Architect of the Capitol. I wish to have the Capitol restaurants exempted from the provisions of the bill. Therefore, I offer the amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 5, it is proposed to insert:

SEC. 2. This act shall not apply to the United States Senate and House of Representatives restaurants.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. DANAHER. Mr. President, I desire to ask the Senator from Mississippi to please tell us whether any of these bills deal with the subject of the garnishment of salaries of Federal workers.

Mr. BILBO. No, sir.

Mr. DANAHER. Not any of them?

Mr. BILBO. No, sir.

Mr. DANAHER. I thank the Senator.

EDUCATION OF CHILDREN OF DECEASED VETERANS

The bill (H. R. 4916) to amend the act of June 19, 1934 (Public Law 435, 73d Cong.), was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF BOXING CONTESTS AND EXHIBITIONS IN THE DISTRICT

The Senate proceeded to consider the bill (H. R. 4327) to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with amendments.

The first amendment was, on page 2, line 20, after the words "shall be", to strike out "entitled to compensation, not to exceed $1,800 each per annum" and insert "paid compensation at the rate of $2,400 each per annum effective July 1, 1944."

The amendment was agreed to.

The next amendment was, on page 4, after line 6, to insert:

The said funds shall be available to pay for boxing equipment, such as gloves, head guards, mouthpieces, trunks, boxing shoes, boxing rings and mats therefor, timekeepers' bells and hammers, and trophies for members of organizations engaged in the promo-

tion and control of amateur and collegiate boxing; and when deemed necessary by the Commission, it may furnish personnel to conduct instruction and boxing contests for such organizations, and pay for same from such funds.

The amendment was agreed to.

The next amendment was, on page 8, in line 5, after the words "equal to", to strike out "6" and insert "10."

The amendment was agreed to.

The next amendment was, on page 9, in line 11, after the words "sum of", to strike out "$10,000" and insert "$15,000."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

VOLUNTARY APPRENTICESHIP IN THE DISTRICT

The bill (S. 1434) to provide for voluntary apprenticeship in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it is the purpose of this act to open to young people in the District of Columbia the opportunity to obtain training that will equip them for profitable employment and citizenship; to set up, as a means to this end, a program of voluntary apprenticeship under approved apprenticeship agreements providing facilities for their training and guidance in the arts and crafts of industry and trade, with parallel instruction in related and supplementary education; to promote employment opportunities for young people under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an apprenticeship council; to provide for the establishment of local joint trade apprenticeship committees to assist in effectuating the purposes of this act; to provide for a director of apprenticeship within the District of Columbia; to provide for reports to the Congress and to the public regarding the status of apprenticeship in the District of Columbia; to establish a procedure for the determination of apprenticeship agreement controversies; and to accomplish related ends.

SEC. 2. Without regard for any other provision of law with respect to the appointment of officers and employees of the United States or the District of Columbia, the Commissioners of the District of Columbia shall appoint an Apprenticeship Council, composed of three representatives each from employer and employee organizations, respectively. The Superintendent of Schools in the District of Columbia or, if he shall so designate, his representative in charge of trade and industrial education, and the Director of the District of Columbia Employment Center shall, ex officio, be members of said council, without vote. The terms of office of the members of the Apprenticeship Council first appointed by the Commissioners shall expire as designated by them at the time of making appointment: One representative each of employers and employees being appointed for 1 year; one representative each of employers and employees being appointed for 2 years; and one representative each of employers and employees for 3 years. Thereafter, each member shall be appointed for a term of 3 years. Any member appointed to fill a vacancy prior to the expiration of the term of his predecessor shall be appointed for the remainder of said term. The compensation of each member may be fixed without regard to the provisions of the Classification Act of 1923, as amended, and each member of the council, not otherwise compensated by public money, shall be paid not more than $10 per day for each day spent in attendance at meetings of the Apprenticeship Council.

SEC. 3. The Secretary of Labor shall appoint a Director of Apprenticeship who shall serve without compensation and who shall have no vote. Without regard for the provisions of any other law with respect to the appointment of officers and employees of the United States or the District of Columbia, the Director of Apprenticeship shall be chosen from among the employees of the Apprentice-Training Service actually engaged in formulating and promoting standards of apprenticeship under the provisions of Public Law No. 308. The Apprentice-Training Service is further authorized to supply the Director or the council with such clerical, technical, and professional assistance as shall be deemed by said Service to be essential to effectuate the purposes of this act.

SEC. 4. The Apprenticeship Council shall meet at the call of the Director, or the chairman thereof, and shall aid in formulating policies for the effective administration of this act. Subject to the approval of the Secretary of Labor, the Apprenticeship Council shall establish standards for apprenticeship agreements in accordance with those prescribed by this act, shall issue such rules and regulations as may be necessary to carry out the intent and purposes of said act, and shall perform such other functions as are necessary to carry out the intent of this act. Not less than once every 2 years the Apprenticeship Council shall make a report through the Commissioners of its activities and findings to the Congress and to the public.

SEC. 5. The Director, under the supervision of the Secretary of Labor and with the advice and guidance of the Apprenticeship Council, is authorized to administer the provisions of this act in cooperation with the Apprenticeship Council and local joint trade apprenticeship committees, to set up conditions and training standards for apprentices, which conditions or standards shall in no case be lower than those prescribed by this act; to act as secretary of the Apprenticeship Council and of joint trade apprenticeship committees; to approve, if, in his opinion, approval is for the best interest of the apprentice, any apprentice agreement which meets the standards established by or in accordance with this act; to terminate or cancel any apprenticeship agreement in accordance with the provisions of such agreement; and to perform such other duties as are necessary to carry out the intent of this act: *Provided,* That the administration and supervision of related and supplemental instruction for apprentices, coordination of the instruction with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the responsibility of the District Board of Education.

SEC. 6. Local joint trade apprenticeship committees in any trade or group of trades may be approved by the Appenticeship Council. Such apprenticeship committees shall be composed of an equal number of employer and employee representatives appointed by the groups or organizations they represent, or the committee may consist of the employer and not less than two representatives from the recognized bargaining agency. In a trade or group of trades in which there is no bona fide employee organization, the Apprenticeship Council may appoint a joint trade apprenticeship committee from persons known to represent the interests of employers and of employees, or the council may act itself as such joint committee. Subject to the review of the council, and in accordance with standards established by or under authority of this act, joint trade apprenticeship committees may set up standards to govern the training of apprentices and give such aid as may be necessary in effectuating such standards.

SEC. 7. The term "apprentice," as used herein, shall mean a person at least 16 years of age who has entered into a written agreement, hereinafter called an apprenticeship agreement, with an employer, an association of employers, or an organization of employees, which apprenticeship agreement provides for not less than 4,000 hours of reasonably continuous employment for such person and for his participation in an approved program of training through employment and through education in related and supplemental subjects.

SEC. 8. Every apprenticeship agreement entered into under this act shall contain—

(1) the names and signatures of the contracting parties, including the apprentice's parent or guardian if he be a minor;

(2) the date of birth of the apprentice;

(3) a statement of the trade, craft, or business which the apprentice is to be taught and the time at which the apprenticeship will begin and end;

(4) a statement showing the number of hours to be spent by the apprentice in work and the number of hours to be spent in related and supplemental instruction, which instruction shall be not less than 144 hours per year;

(5) a statement setting forth a schedule of the processes in the trade or industry divisions in which the apprentice is to be taught and the approximate time to be spent at each process;

(6) a statement of the graduated scale of wages to be paid the apprentice and whether the required school time shall be compensated;

(7) a statement providing for a period of probation during which time the apprenticeship agreement shall be terminated by the Director at the request in writing of either party, and providing that after such probationary period the apprenticeship agreement may be terminated by the Director by mutual agreement of all parties thereto, or canceled by the Director for good and sufficient reasons;

(8) a provision that all controversies or differences concerning the apprenticeship agreement which cannot be adjusted by conference between the apprentice and the employer or under the terms of the apprenticeship standard shall be submitted to the Director for determination as provided for in section 9;

(9) a provision that an employer who is unable to fulfill his obligation under the apprenticeship agreement may, with the approval of the Director or under the direction of the joint trade apprenticeship committee, transfer such contract to any other employer: *Provided,* That the apprentice consents and that such other employer agrees to assume the obligations of said apprenticeship agreement;

(10) such additional terms and conditions as may be prescribed or approved by the council not inconsistent with the provisions of this act.

SEC. 9. No apprenticeship agreement shall be registered or approved by the Director under the provisions of this act unless it conforms with the standards established by or in accordance with this act and is in the best interests of the apprentice. Where a minor enters into an agreement for a period of training extending into his majority, and such agreement has been approved by the Director, then such apprenticeship agreement shall, if the parties therein so provide, have the same force and effect during the period covered by the majority of such minor

as if such agreement were entered into during the majority of such minor.

SEC. 10. (a) Upon the complaint of any interested person or upon his own initiative, the Director may investigate to determine if there has been a violation of the terms of an apprenticeship agreement made under this act, and he may hold hearings, inquiries, and other proceedings necessary to such investigation and determination. The parties to such an agreement shall be given a fair and impartial hearing after reasonable notice thereof. All such hearings, investigations, and determinations shall be made under authority of reasonable rules and procedures prescribed by the Apprenticeship Council, subject to the approval of the Secretary of Labor.

(b) The determination of the Director shall be filed with the council. If no appeal therefrom is filed with the council within 10 days after the date thereof, as herein provided, such determination shall become the order of the council. Any person aggrieved by any determination or action of the Director may appeal therefrom to the council, which shall hold a hearing thereon after due notice to the interested parties. Any person aggrieved or affected by any determination or order of the council may appeal therefrom to the District Court of the United States for the District of Columbia at any time within 30 days after the date of such order, by service of a written notice of appeal on the Director. Upon service of said notice of appeal, said council, by its secretary, shall forthwith file, with the clerk of said district court to which said appeal is taken, a certified copy of the order appealed from, together with findings of fact on which the same is based. The person serving such notice of appeal shall, within 5 days after the service thereof, file a copy of the same, with proof of service, with the clerk of the court to which such appeal is taken; and thereupon said district court shall have jurisdiction over said appeal, and the same shall be entered upon the records of said district court and shall be tried therein de novo according to the rules relating to the trial of civil actions, so far as the same are applicable. Any person aggrieved or affected by any determination, order, or decision of the district court may appeal therefrom to the Court of Appeals for the District of Columbia in the same manner as provided by law for the appeal of civil action.

SEC. 11. The provisions of this act shall apply to any person, firm, corporation, or craft in the District of Columbia which has voluntarily elected to conform with its provisions.

SEC. 12. As used or referred to in this act the term "The Secretary of Labor" shall mean the Administrator of that Department or agency of the United States Government authorized to administer the provisions of Public Law No. 308.

SEC. 13. Sections 13, 14, 15, 17, 18, 20, and 21, chapter 2 of title 15 of the Code of Laws of the District of Columbia are hereby repealed.

SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

REGULATION OF STOCK TRANSFERS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 1979) to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto, which had been reported from the Committee on the District of Columbia, with amendments, on page 2, line 5, after the word "certificate", to strike out "of" and insert "or", and on the same page, line 14, after the word "itself", to strike out "provided" and insert "provide."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.,

HOW TITLE TO CERTIFICATES AND SHARES MAY BE TRANSFERRED

SECTION 1. That title to a certificate and to the shares represented thereby can be transferred only—

(a) by delivery of the certificate endorsed either in blank or to a specified person by the person appearing by the certificate to be the owner of the shares represented thereby, or

(b) by delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign, or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specific person.

The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or by-laws of the corporation issuing the certificate and the certificate itself provide that the shares represented thereby shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.

POWERS OF THOSE LACKING FULL LEGAL CAPACITY AND OF FIDUCIARIES NOT ENLARGED

SEC. 2. Nothing in this act shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor, or administrator, or other fiduciary, to make a valid endorsement, assignment, or power of attorney.

CORPORATION NOT FORBIDDEN TO TREAT REGISTERED HOLDER AS OWNER

SEC. 3. Nothing in this act shall be construed as forbidding a corporation—

(a) to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, or

(b) to hold liable for calls and assessments a person registered on its books as the owner of shares.

TITLE DERIVED FROM CERTIFICATE EXTINGUISHES TITLE DERIVED FROM A SEPARATE DOCUMENT

SEC. 4. The title of a transferee of a certificate under a power of attorney or assignment not written upon the certificate, and the title of any person claiming under such transferee, shall cease and determine if, at any time prior to the surrender of the certificate to the corporation issuing it, another person, for value in good faith, and without notice of the prior transfer, shall purchase and obtain delivery of such certificate with the endorsement of the person appearing by the certificate to be the owner thereof, or shall purchase and obtain delivery of such certificate and the written assignment or power of attorney of such person, though contained in a separate document.

WHO MAY DELIVER A CERTIFICATE

SEC. 5. The delivery of a certificate to transfer title in accordance with the provisions of section 1 is effectual, except as provided in section 7, though made by one having no right of possession and having no authority from the owner of the certificate or from the person purporting to transfer the title.

ENDORSEMENT EFFECTUAL IN SPITE OF FRAUD, DURESS, MISTAKE, REVOCATION, DEATH, INCAPACITY, OR LACK OF CONSIDERATION OR AUTHORITY

SEC. 6. The endorsement of a certificate by the person appearing by the certificate to be the owner of the shares represented thereby is effectual, except as provided in section 7, though the endorser or transferor—

(a) was induced by fraud, duress, or mistake, to make the endorsement or delivery; or

(b) has revoked the delivery of the certificate or the authority given by the endorsement or delivery of the certificate; or

(c) has died or become legally incapacitated after the endorsement, whether before or after the delivery of the certificate; or

(d) has received no consideration.

RESCISSION OF TRANSFER

SEC. 7. If the endorsement or delivery of a certificate—

(a) was procured by fraud or duress; or

(b) was made under such mistake as to make the endorsement or delivery inequitable; or

If the delivery of a certificate was made—

(c) without authority from the owner; or

(d) after the owner's death or legal incapacity, the possession of the certificate may be reclaimed and the transfer thereof rescinded, unless—

(1) the certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful; or

(2) the injured person has elected to waive the injury or has been guilty or laches in endeavoring to enforce his rights.

Any court of appropriate jurisdiction may enforce specifically such right to reclaim the possession of the certificate or to rescind the transfer thereof and, pending litigation, may enjoin the further transfer of the certificate or impound it.

RESCISSION OF TRANSFER OF CERTIFICATE DOES NOT INVALIDATE SUBSEQUENT TRANSFER BY TRANSFEREE IN POSSESSION

SEC. 8. Although the transfer of a certificate or of shares represented thereby has been rescinded or set aside, nevertheless, if the transferee has possession of the certificate or of a new certificate representing part or the whole of the same shares of stock, a subsequent transfer of such certificate by the transferee, mediately or immediately, to a purchaser for value in good faith, without notice of any facts making the transfer wrongful, shall give such purchaser an indefeasible right to the certificate and the shares represented thereby.

DELIVERY OF UNENDORSED CERTIFICATE IMPOSES OBLIGATION TO ENDORSE

SEC. 9. The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the endorsement requisite for the transfer of the certificate and the shares represented thereby, but with intent to transfer such certificate or shares, shall impose an obligation, in the absence of an agreement to the contrary, upon the person so delivering, to complete the transfer by making the necessary endorsement. The transfer shall take effect as of the time when the endorsement is actually made. This obligation may be specifically enforced.

INEFFECTUAL ATTEMPT TO TRANSFER AMOUNTS TO A PROMISE TO TRANSFER

SEC. 10. An attempted transfer of title to a certificate or to the shares represented thereby without delivery of the certificate shall have the effect of a promise to transfer and the obligation, if any, imposed by such promise shall be determined by the law governing the formation and performance of contracts.

WARRANTIES ON SALE OF CERTIFICATE

SEC. 11. A person who for value transfers a certificate, including one who assigns for value a claim secured by a certificate, unless a contrary intention appears, warrants—

(a) that the certificate is genuine;

(b) that he has a legal right to transfer it; and

(c) that he has no knowledge of any fact which would impair the validity of the certificate.

In the case of an assignment of a claim secured by a certificate, the liability of the assignor upon such warranty shall not exceed the amount of the claim.

NO WARRANTY IMPLIED FROM ACCEPTING PAYMENT OF A DEBT

SEC. 12. A mortgagee, pledgee, or other holder for security of a certificate who in good faith demands or receives payment of the debt for which such certificate is security, whether from a party to a draft drawn for such debt, or from any other person, shall not by so doing be deemed to represent or to warrant the genuineness of such certificate, or the value of the shares represented thereby.

NO ATTACHMENT OR LEVY UPON SHARES UNLESS CERTIFICATE SURRENDERED OR TRANSFER ENJOINED

SEC. 13. No attachment or levy upon shares of stock for which a certificate is outstanding shall be valid until such certificate be actually seized by the officer making the attachment or levy, or be surrendered to the corporation which issued it, or its transfer by the holder be enjoined. Except where a certificate is lost or destroyed, such corporation shall not be compelled to issue a new certificate for the stock until the old certificate is surrendered to it.

CREDITOR'S REMEDIES TO REACH CERTIFICATE

SEC. 14. A creditor whose debtor is the owner of a certificate shall be entitled to such aid from courts of appropriate jurisdiction, by injunction and otherwise, in attaching such certificate or in satisfying the claim by means thereof as is allowed at law or in equity, in regard to property which cannot readily be attached or levied upon by ordinary legal process.

THERE SHALL BE NO LIEN OR RESTRICTION UNLESS INDICATED ON CERTIFICATE

SEC. 15. There shall be no lien in favor of a corporation upon the shares represented by a certificate issued by such corporation and there shall be no restriction upon the transfer of shares so represented by virtue of any bylaws of such corporation, or otherwise, unless the right of the corporation to such lien or the restriction is stated upon the certificate.

ALTERATION OF CERTIFICATE DOES NOT DIVEST TITLE TO SHARES

SEC. 16. The alteration of a certificate, whether fraudulent or not and by whomsoever made, shall not deprive the owner of his title to the certificate and the shares originally represented thereby, and the transfer of such a certificate shall convey to the transferee a good title to such certificate and to the shares originally represented thereby.

LOST OR DESTROYED CERTIFICATE

SEC. 17. Where a certificate has been lost or destroyed a court of competent jurisdiction may order the issue of a new certificate therefor on service of process upon the corporation and on reasonable notice by publication, and in any other way which the court may direct, to all persons interested, and upon satisfactory proof of such loss or destruction and upon the giving of a bond with sufficient surety to be approved by the court to protect the corporation or any person injured by the issue of the new certificate from any liability or expense, which it or they may incur by reason of the original certificate remaining outstanding. The court may also in its discretion order the payment of the corporation's reasonable costs and counsel fees.

The issue of a new certificate under an order of the court as provided in this section shall not relieve the corporation from liability in damages to a person to whom the original certificate has been or shall be transferred for value without notice of the proceedings or of the issuance of the new certificate.

RULE FOR CASES NOT PROVIDED FOR BY THIS ACT

SEC. 18. In any case not provided for by this act, the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent, executors, administrators, and trustees, and to the effect of fraud, misrepresentation, duress, or coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

INTERPRETATION SHALL GIVE EFFECT TO PURPOSE OF UNIFORMITY

SEC. 19. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those States which enact it.

DEFINITION OF ENDORSEMENT

SEC. 20. A certificate is endorsed when an assignment or a power of attorney to sell, assign, or transfer the certificate or the shares represented thereby is written on the certificate and signed by the person appearing by the certificate to be the owner of the shares represented thereby, or when the signature of such person is written without more upon the back of the certificate. In any of such cases a certificate is endorsed though it has not been delivered.

DEFINITION OF PERSON APPEARING TO BE THE OWNER OF CERTIFICATE

SEC. 21. The person to whom a certificate was originally issued is the person appearing by the certificate to be the owner thereof; and of the shares represented thereby, until and unless he endorses the certificate to another specified person, and thereupon such other specified person is the person appearing by the certificate to be the owner thereof until and unless he also endorses the certificate to another specified person. Subsequent special endorsements may be made with like effect.

OTHER DEFINITIONS

SEC. 22. (1) In this act, unless the context or subject matter otherwise requires—

"Certificate" means a certificate of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this act.

"Delivery" means voluntary transfer of possession from one person to another.

"Person" includes a corporation or partnership of two or more persons having a joint or common interest.

"To purchase" includes to take as mortgagee or as pledgee.

"Purchaser" includes mortgagee and pledgee.

"Shares" means a share or shares of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this act.

"State" includes State, Territory, district, and insular possession of the United States.

"Transfer" means transfer of legal title.

"Title" means legal title and does not include a merely equitable or beneficial ownership or interest.

"Value" is any consideration sufficient to support a simple contract. An antecedent or preexisting obligation, whether for money or not, constitutes value where a certificate is taken either in satisfaction thereof or as security therefor.

(2) A thing is done "in good faith" within the meaning of this act, when it is in fact done honestly, whether it be done negligently or not.

ACT DOES NOT APPLY TO EXISTING CERTIFICATES

SEC. 23. The provisions of this act apply only to certificates issued after the taking effect of this act.

INCONSISTENT LEGISLATION REPEALED

SEC. 24. All acts or parts of acts inconsistent with this act are hereby repealed.

TIME WHEN THE ACT TAKES EFFECT

SEC. 25. This act shall take effect on the ——— day of ————, 194–.

NAME OF ACT

SEC. 26. This act may be cited as the "Uniform Stock Transfer Act."

NATIONAL MEMORIAL STADIUM

The Senate proceeded to consider the joint resolution (S. J. Res. 155) establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 2, in line 6, after the word "as", to strike out "is" and insert "it"; on the same page, line 7, after the word "advisable", to insert "(3) to endeavor particularly to formulate a method of financing the project on a self-liquidating basis;" and on the same page, line 8, to strike out "(3)" and insert "(4)", so as to make the joint resolution read:

Resolved, etc., That there is hereby established a commission to be composed of three Members of the Senate to be appointed by the President of the Senate, three Members of the House of Representatives to be appointed by the Speaker of the House, and three persons to be appointed by the Commissioners of the District of Columbia. Such commission is authorized and directed (1) to consider and select a suitable site for an athletic field and stadium to be constructed in the District of Columbia as a permanent memorial to the men and women who gave their lives while serving as members of the armed forces of the United States during World War No. 1 and World War No. 2; (2) to procure such plans and designs and make such surveys and estimates of the cost thereof as it deems advisable; (3) to endeavor particularly to formulate a method of financing the project on a self-liquidating basis; and (4) to make a report to the Congress, together with its recommendations, at the earliest practicable date.

SEC. 2. (a) The members of the commission shall serve without compensation; but travel, subsistence, and other necessary expenses incurred by them in connection with the work of the commission may be paid from any funds available for expenditure by the commission.

(b) The commission is authorized, within the limits of appropriations made therefor, to employ and fix the compensation of such officers, experts, and other employees as may be necessary to carry out its functions.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed $25,000, as may be necessary to carry out the provisions of this joint resolution.

The amendments were agreed to.

Mr. ELLENDER. Mr. President, does the bill provide for any appropriations?

Mr. BILBO. It provides for an authorization to spend not to exceed $25,000.

Mr. ELLENDER. Out of what sum?

Mr. BILBO. Out of District of Columbia funds.

Mr. ELLENDER. Is any method provided for financing the expense of building a stadium?

Mr. BILBO. No. As I have stated in the public press, I claim to know as much about building a stadium, and the size and capacity of a stadium, as any other Member of Congress, and I do not know anything about the subject at all. The purpose of the bill is to appoint a committee of experienced men to investigate and report back to the Congress so that the Congress may know what kind of a bill to write and what to do about it.

Mr. ELLENDER. Would the commission report also the method of financing the structure?

Mr. BILBO. It would.

Mr. ELLENDER. There would be no obligation on Congress to provide the money?

Mr. BILBO. There would be no obligation on earth.

Mr. ELLENDER. I thank the Senator.

The ACTING PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

PERMITS FOR COMMITTEE ON INAUGURAL CEREMONIES

The joint resolution (H. J. Res. 289) authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MAINTENANCE OF ORDER, ETC., IN CONNECTION WITH INAUGURAL CEREMONIES

The joint resolution (H. J. Res. 290) to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945, was considered, ordered to a third reading, read the third time, and passed.

QUARTERING OF TROOPS PARTICIPATING IN THE INAUGURAL CEREMONIES

The joint resolution (H. J. Res. 291) to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies, was considered, ordered to a third reading, read the third time, and passed.

DISSOLUTION OF WOMEN'S CHRISTIAN ASSOCIATION OF THE DISTRICT

Mr. BILBO. Mr. President, I ask that the Senate proceed to the consideration of Senate bill 2205, to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Women's Christian Association of the District of Columbia may by a majority vote of its board of directors deed, transfer, and assign, without consideration, all its assets of whatsoever kind or nature, including property purchased with the appropriation made by chapter 455 of the act of June 23, 1874 (18 Stat. (pt. 3) 216), or any subsequent appropriation, to the Young Women's Christian Association of the District of Columbia. The Young Women's Christian Association of the District of Columbia may by a majority vote of its board of directors deed, transfer, and assign without consideration, to the Phyllis Wheatley Young Women's Christian Association of Washington, District of Columbia, any property received by it from the Women's Christian Association of the District of Columbia under this act. No property of the Women's Christian Association of the District of Columbia shall be held or used for any purpose or purposes other than those stated in the certificate of incorporation of the Young Women's Christian Asscciation of the District of Columbia or the Phyllis Wheatley Young Women's Christian Association of Washington, District of Columbia. Upon deeding, transferring, and assigning all its property under the provisions of this act, the Women's Christian Association of the District of Columbia shall be considered dissolved and its corporate charter surrendered.

Mr. BILBO. Mr. President, I wish to thank the Senators for their kindness.

APPOINTMENT OF UNDER SECRETARY OF WAR DURING NATIONAL EMERGENCIES

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1243, House bill 5494.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5494) to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties," approved December 16, 1940.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, will the Senator again identify the measure?

Mr. JOHNSON of Colorado. I have asked unanimous consent that the Senate proceed to the consideration of Calendar No. 1243, House bill 5494, which is identical with Calendar No. 1209, Senate bill 2178, except that one is a Senate bill and the other is a House bill which has already been passed by that body.

Mr. WHITE. Does the bill relate to the appointment of an Under Secretary of War during national emergencies?

Mr. JOHNSON of Colorado. That is correct.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 2178 will be indefinitely postponed.

CONVEYANCE OF CERTAIN LANDS TO THE UNIVERSITY OF WYOMING

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 4665, which is on the calendar.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4665) authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyo., Shoshone reclamation project, Wyoming, to the University of Wyoming.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. DANAHER. Mr. President, what is the nature of the bill?

Mr. HATCH. The bill would authorize the Secretary of the Interior to convey certain lands at Powell town site, Wyo., to the University of Wyoming.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHITE. It is my understanding—I am not sure that I am correct—that only 24 acres of land are involved.

Mr. HATCH. That is correct.

Mr. WHITE. It is a matter in which the Senator from Wyoming has a very deep interest.

Mr. HATCH. Yes; and I promised him that I would do everything I could to have the bill considered and passed.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4665) was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry officers for promotion for temporary service in the Navy.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The ACTING PRESIDENT pro tempore. If there be no further reports from committees, the clerk will state the nominations on the calendar.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Victor Russell to be collector of customs, customs collection district No. 21, with headquarters at Port Arthur, Tex.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the nomination of Mr. Victor Russell be confirmed. For many years he was secretary to the late Senator Sheppard of Texas.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The clerk will state the next nomination on the calendar.

COMPTROLLER OF CUSTOMS

The legislative clerk read the nomination of Charles F. Murphy to be comptroller of customs in customs collection district No. 4 at Boston, Mass.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Ellery W. Stone to be rear admiral in the Naval Reserve.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. HILL. Mr. President, I ask unanimous consent that the President be immediately notified of all confirmations of today.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. HILL. Mr. President, as in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 37 minutes p. m.) the Senate took a recess until Monday, December 11, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 8 (legislative day of November 21), 1944:

DEPARTMENT OF STATE

Brig. Gen. Julius C. Holmes, United States Army, of Kansas, to be an Assistant Secretary of State.

James C. Dunn, of New York, to be an Assistant Secretary of State.

IN THE NAVY

Capt. Ralph E. Jennings, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 5th day of September 1943.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

J. Fred Ball, Newport, Ark., in place of N. C. Wilkerson, resigned.

CALIFORNIA

Vera L. Toleman, Happy Camp, Calif. Office became Presidential July 1, 1943.

CONNECTICUT

Anne V. Kenney, Mechanicsville, Conn. Office became Presidential July 1, 1943.

GEORGIA

Charles A. Randolph, Tucker, Ga. Office became Presidential July 1, 1942.

ILLINOIS

Iva E. Hanson, Itasca, Ill., in place of G. J. Pfaff, resigned.

IOWA

Aloysius J. Hanrahan, Charlotte, Iowa. Office became Presidential July 1, 1944.

KANSAS

Howard R. Ellis, Haviland, Kans., in place of C. M. Asher, transferred.

MAINE

Charles C. Cousins, Brooklin, Maine. Office became Presidential July 1, 1944.

MASSACHUSETTS

Arthur K. Bates, Danvers, Mass., in place of J. D. Sullivan, deceased.

MICHIGAN

Henry J. Stein, Clinton, Mich., in place of Livingstone Latham, resigned.

MINNESOTA

Clyde H. Ferrell, Montrose, Minn. Office became Presidential July 1, 1944.

MISSOURI

Alonzo E. Ellis, Dodson, Mo. Office became Presidential July 1, 1944.

Blanche G. Griffith, Perryville, Mo., in place of A. H. Zoellner, resigned.

NEW YORK

Leon W. Wood, Freehold, N. Y. Office became Presidential July 1, 1944.

Mildred S. Makyes, Onondaga, N. Y. Office became Presidential July 1, 1944.

Edgar K. Warner, Purling, N. Y. Office became Presidential July 1, 1944.

Cyril O. Alberga, Round Top, N. Y. Office became Presidential July 1, 1944.

Anna M. Isbell, Warners, N. Y. Office became Presidential July 1, 1944.

Helen K. Morrison, Westmoreland, N. Y. Office became Presidential July 1, 1944.

NORTH DAKOTA

Myrna M. Sillman, Sawyer, N. Dak. Office became Presidential July 1, 1944.

PENNSYLVANIA

Frank D. Harriger, Leeper, Pa. Office became Presidential July 1, 1944.

George W. Althouse, Mohnton, Pa., in place of L. M. Kachel, resigned.

Reba H. Galley, Perryopolis, Pa., in place of J. A. Byers, removed.

David H. Baughman, Rillton, Pa. Office became Presidential July 1, 1944.

Grethel V. Shawley, Youngstown, Pa. Office became Presidential July 1, 1944.

TEXAS

Alice W. Griffin, Hooks, Tex., in place of J. W. Perry, transferred.

Willie Reagan Martin, Loraine, Tex., in place of R. B. Cope, transferred.

VERMONT

Clarence P. Dudley, East Montpelier, Vt. Office became Presidential July 1, 1944.

Daniel Henley, Richmond, Vt., in place of C. E. Sheehan, resigned.

WISCONSIN

Arthur G. Anderson, Brodhead, Wis., in place of A. N. Lawton, resigned.

Lawrence H. Hardebeck, Lakewood, Wis. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations received by the Senate, December 8 (legislative day of November 21), 1944:

COLLECTOR OF CUSTOMS

Victor Russell, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.

COMPTROLLER OF CUSTOMS

Charles F. Murphy, to be comptroller of customs for customs collection district No. 4, with headquarters at Boston, Mass., to fill an existing vacancy.

IN THE NAVY

TEMPORARY SERVICE

Ellery W. Stone, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as Chief Commissioner of the Allied Mediterranean Commission.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 8, 1944

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Dr. Timothy F. O'Leary, Ph. D., department of education, Catholic University of America, Washington, D. C., offered the following prayer:

O Almighty and Eternal God, we are drawing close to that holy feast day on which the Christian world commemorates the coming to earth of Thy Divine Son who became man in order to be "like unto us in all things except sin." Graciously grant, O loving Father, that as Thy Divine Word came to bring peace to a sorry world steeped in the darkness of idolatry and sin, so now again may He come as the Prince of Peace to bring justice and charity to a distracted world, which, in the pursuit of selfish ends and material gains, has plunged us into the horrors of war with all its dreadful burden of suffering, anxiety, and death. For these calamities have weighed heavily upon us all: our President, our leaders of government, our military commanders, our whole Nation, and, indeed, on all peoples everywhere.

We pray that all troubled souls will lift up their hearts in love to Thee, the only source of true and lasting peace, and that they may humbly submit to Thy divine plan for the redemption of man made known to them through the teaching of Thy Son. From these divine teachings may they learn where is wisdom, where is strength, where is understanding, where is length of days and life, where is the light of the eyes and peace.

We pray that a self-sacrificing love of God and of our neighbor be manifest among us all, and that its presence may be demonstrated by our humble obedience to the divine law. May this divinely inspired love be the token by which we shall recognize the true leaders of government at home and abroad. May it be, as it is divinely intended to be, the conqueror of hatred and strife, the bond of unity among the peoples of all nations, and the sure guaranty of peace

with justice. This we ask in the name of the Father, and of the Son, and of the Holy Ghost. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1097. An act to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone;

H. R. 5029. An act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes; and

H. R. 5543. An act extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 837) entitled "An act to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. O'MAHONEY, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House of Representatives Nos. 1, 2, 3, 4, and 5 to the bill (S. 963) entitled "An act relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States."

The message also announced that the Senate disagrees to the amendment of the House of Representatives No. 6 to the above-entitled bill.

USE OF GOVERNMENT-OWNED SILVER FOR WAR PURPOSES

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1954) to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. REED of New York. Mr. Speaker, reserving the right to object, this bill extends the act so that they can use the silver for war purposes, and a certain amount of it for domestic purposes; is that right?

Mr. DOUGHTON of North Carolina. The pending bill simply extends the expiration date from December 31, 1944, to December 31, 1945, of legislation enacted in July 1943. The purpose of the original legislation was to authorize the use of Government-owned silver in the war effort. Mr. Donald Nelson, of the War Production Board, very strongly recommended the passage of this legislation. The same or similar reasons exist today, and the Treasury Department, War Department, and War Production Board have submitted favorable reports.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I will not object, this is simply a continuation of the act and has the approval of the various agencies concerned?

Mr. DOUGHTON of North Carolina. That is correct, for another year.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. CELLER. Mr. Speaker, reserving the right to object, and I shall not object, but do I correctly understand that this is a prolongation of the act whereby we appropriated silver not used for monetary purposes to be now used in the war effort?

Mr. DOUGHTON of North Carolina. That is correct.

Mr. FORAND. Mr. Speaker, the bill now before us, S. 1954, amends Public Law 137, passed last year, in only one respect. It extends the life of that law for 1 year, from December 31, 1944, to December 31, 1945, and that is the only change it makes.

Public Law 137 authorizes the President, through the Secretary of the Treasury upon recommendation of the Chairman of the War Production Board, to sell or lease for domestic purposes for a period not longer than 6 months after the cessation of hostilities in the present war, upon such terms as the Secretary of the Treasury shall deem advisable, to any person, partnership, association, or corporation, or any department of the Government, for purposes including but not limited to the making of munitions of war and the supplying of civilian needs and the converting of existing plants to those purposes, any silver held or owned by the United States. The act provides that no silver shall be sold under its authority at less than 71.11 cents per fine troy ounce. The act further provides that at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates issued by the Secretary of the Treasury shall be maintained by the Treasury.

I want to say here for the RECORD what I said in the Ways and Means Committee this morning while this bill was under consideration: that one of the principal purposes of this so-called Green bill was to provide silver for civilian needs—silver that might keep men at work when there is no war work for them to do, and silver to protect that industry. The silver industry has converted to war work by approximately 70 percent, and when a war contract runs out it needs silver to operate until the next contract is received. The industry needs silver to keep its entire force together so that the industry can continue to operate and be ready to do further war work as it comes along.

It has come to my attention that War Production Board officials have been reluctant to recognize this feature of the law and I make this statement for the RECORD now, so that the Congress and the War Production officials will know that it was our intent, and still is, to protect the silver industry. That, of course, comes next to the needs of war which was the primary purpose of this legislation.

The silver industry is in the forefront in the war program and is entitled to every proper protection. The industry will not need much of the silver held by the Treasury, but it will need some.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943 (Public Law 137, 78th Cong.), is amended to read as follows:

"SEC. 2. This act shall expire on December 31, 1945."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, in passing this legislation it is the expectation of Congress that the W. P. B. will sell silver not needed for war purposes in order to keep the silver-manufacturing industry in business and to supply some civilian needs.

These plants will be needed to give employment to many of our people after the war and the Government should be as liberal as possible in keeping these plants supplied with their basic materials insofar as it does not interfere with war needs. It was for this purpose that Congress passed the act in the first place. In renewing it, we should endeavor to make it clearly understood to the W. P. B. that Congress means what it says.

The silver-manufacturing industry should not be penalized because it is a small industry. On the contrary, it should be encouraged, as it is one of the many smaller industries which will be needed to provide jobs for our returning service people and war workers when peace comes.

ARMY HOSPITALS IN ENGLAND AND FRANCE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I am anticipating giving to the Congress in special orders after the business of this day is concluded something of a report on the survey I was privileged to make of our Army hospitals in England and France

during August and September just passed. Inasmuch as my time will be limited, I am asking the privilege of spreading in the Appendix of the RECORD an address delivered to the graduating class in medicine, dentistry, and nursing at Northwestern University in Chicago on September 4, 1944, by Maj. Gen. George F. Lull, Deputy Surgeon General of the United States Army. In this address General Lull presented some of the detail of Army medical care and responsibility that I have not included in my remarks. The value to the Congress of a more complete picture is my sole reason for asking this privilege.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

PENALTIES INCIDENT TO BRINGING CERTAIN ALIENS INTO THE UNITED STATES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States, with House amendments thereto, and recede from House amendment No. 6.

The Clerk read the title of the bill.

The Clerk read House amendment No. 6 as follows:

Strike out all of section 4, which reads as follows:

"SEC. 4. Subsection (a) of section 20 of the Immigration Act of 1924 (43 Stat. 164; 8 U. S. C. 167 (a)), is amended by adding at the end thereof the following: 'The Attorney General may, upon application in writing therefor, mitigate such penalty to not less than $200 for each seaman in respect of whom such failure occurs, upon such terms as the Attorney General in his discretion shall think proper. This section, as amended, shall apply to all penalties arising subsequent to June 5, 1940.'"

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain section 4?

Mr. LESINSKI. Section 4 of S. 963 gives discretion to the Attorney General to impose a fine on steamship lines that may bring an alien into this country who himself is not responsible for it because that alien may have a visa from a consul of a foreign country.

Mr. MARTIN of Massachusetts. It has been mandatory heretofore?

Mr. LESINSKI. It was mandatory.

Mr. MARTIN of Massachusetts. And this leaves it discretionary?

Mr. LESINSKI. This leaves it to the discretion of the Attorney General.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The House receded from House amendment No. 6.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that on Tuesday next at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial which appeared a few days ago in the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPLICATION OF ATLANTIC CHARTER TO LIBERATED AREAS—PRAISE TO STETTINIUS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, as refreshing as a cool breeze in the heat of summer is the recent enlightened statement of our distinguished new Secretary of State that the peoples of the liberated areas shall have the right to work out their problems of government along democratic lines without interference from the outside. In other words, our Department of State reaffirms the policy of the Atlantic Charter, that that charter shall apply to Italy, Greece, Belgium, Poland, and other liberated areas. Apparently another government sees contrariwise and feels that the Atlantic Charter in particular should not apply to Greece and Italy. We have the horrible spectacle in the news of the Greeks being machine-gunned and American tanks being used against Greek resistance patriots, because they wish to set up a government of their own choosing.

We must have it out with England now. Delay is fatal. Difficulties in liberated areas will grow increasingly greater unless we effect a show-down now. We must therefore applaud the good beginning made by Mr. Stettinius—more power to him. He is apparently not going to be a lick-spittle for either Mr. Eden or Mr. Churchill and put the label of communism on the opponents of governments they form.

We must demand a role in the Allied commission which administers the armistice in Greece and administers the civilian population. We must demand a greater share in the provisional government of Italy.

Eden put the Indian sign on Count Sforza. It was unpardonable. What is needed in a hurry is a complete understanding on all these matters with the United States, Britain, and Russia.

Furthermore, let me read from a recent report of the overseas news agency:

ATHENS INTERFERENCE

(By Constantine Poulos)

ATHENS, December 5.—American trucks, white star shining coldly and filled with helmeted British troops, are passing through the center of Athens this morning on the way to the workers' sections of Piraeus. American jeeps, towing small howitzers, are bouncing in the same direction. British armored cars and patrol cars are rushing that way, too. Grinding along in the rear are ominous-looking American-made Sherman tanks.

So it has happened, just as the Greek Fascists desired and planned. British troops and British arms are being used in an attempt to put down those Greek people whose ideas differ from those of the British Ambassador to Greece, King George of Greece, and his Fascist supporters.

"Great Britain will pay dearly for this," a former Greek minister told me as we watched British patrols and tanks dashing about. "The Greeks are a very proud people. This show of tanks, which we know are American and which we know came to Greece long after all Germans had withdrawn from our country, will not go down with Greeks. Regardless of whether or not they belong to the left, most Greeks resent interference in their domestic affairs."

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from New York [Mr. CELLER], I wish to say that, of all times for Members of this House to be waving a red flag in the face of Great Britain, our chief ally on every front in this war, it seems to me this is the worst.

There are conditions in Europe with which many of us are not familiar. When Members come here and attack Great Britain, our ally in this war, whose sons are fighting and dying by the side of ours, or attempt to have us intervene in her affairs in Palestine and stir up trouble for her there, in my opinion they are rendering a disservice, not only to Great Britain, but to the cause of the United States and all the rest of our allies in this the greatest conflict of all time.

I sincerely trust that using the floor of this House as a sounding board for that purpose will cease.

EXTENSION OF REMARKS

(Mr. REES of Kansas asked and was given permission to extend his remarks in the RECORD.)

VIRGIN ISLANDS

Mr. BELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5029) to assist in the

internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 6, after "project", insert ": *Provided further*, That items 2, 3, 4, 7, 8, 9, 14, 16, and 17 shall have priority over others of the projects on the islands of St. Thomas and St. John, and items 19, 20, 22, 27, and 29 shall have priority over others of the projects on the island of St. Croix: *Provided further*, That funds shall be available for the purposes specified in section 2 on other projects without regard to the priorities so established."

Page 7, lines 11 and 12, strike out "to be immediately available and to remain available until expended."

Page 7, line 12, after "expended", insert "$2,028,420 to be available in 1945, and $2,000,000 in each of the following 4 years, each yearly sum to remain available until expended."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, as I understand the amendment, it merely distributes over a period of 5 years the money the House made available for the current fiscal year?

Mr. BELL. That is the effect of one amendment.

Mr. MARTIN of Massachusetts. The other amendments merely give priority to projects the committee has approved?

Mr. BELL. That is correct.

Mr. MARTIN of Massachusetts. The gentleman's committee is in favor of these amendments?

Mr. BELL. Our committee had a meeting the other day, and these amendments were agreed to unanimously.

Mr. LECOMPTE. Reserving the right to object, Mr. Speaker, it is true, is it not, that the amendments we considered in our committee were the ones the Senate adopted?

Mr. BELL. That is correct. We had before us the report coming from the Senate committee on H. R. 5029. The amendments now under consideration appeared in that report, and we agreed to them.

Mr. LECOMPTE. We more or less anticipated the action of the Senate and considered those amendments before they were actually in the bill?

Mr. BELL. As I understand, the bill was passed yesterday unchanged from the report that came from the Tydings committee.

Mr. LECOMPTE. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and insert two editorials, one from the Cleveland Plain Dealer and one from the Cleveland Press.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FIRST SUPPLEMENTAL APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5587, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday, the amendment offered by the gentleman from Georgia [Mr. TARVER] was pending, and is now under consideration.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there was no provision inserted in this bill which had more careful consideration than the provision which has been stricken out on this technical point of order. I think there was no proposition for which there was more widespread demand than this appropriation. The appropriation provides for the compilation of statistics which will be needed in planning for the postwar period and providing for reconstruction and reconversion. We were in receipt of requests from a large number of industrial, commercial, labor, and other business organizations over the country. The need for this activity was stressed during the recent campaign, in which the candidates for the office of Chief Executive of the United States pointedly called attention to the fact that insufficient provision had been made for planning and post-war organization. It was in response to this practically universal demand that the Bureau of the Budget submitted an estimate which the committee here included in this bill. The proposal is approved also by the various governmental departments affected—the Department of Commerce, the Department of Labor, and the Department of Agriculture, and all are cooperating in the project. It is an integrated program, each part essential to the whole.

It was testified before our committee that it would in no way interfere with manpower problems. Mr. Capt, Director of the Census, charged with the duty of carrying out this provision, said in response to an inquiry:

> We are particularly determined that it be not permitted to interfere. Insofar as we are able, we have issued instructions to our field force, which is in the formative state at the moment, that we first look to people who would normally not be available for regular jobs, and not take people from the normal labor force under any circumstances, giving first preference to honorably discharged veterans who are able to do our work, to members of their families, and the families of men still in the service.

So that this provision will in no way interfere with the war program.

I shall include at this point a partial list of business organizations which have urged this appropriation, indicating the imperative necessity for securing data of this character for use in post-war planning:

The American Management Association.
The National Association of Master Plumbers.
The National Association of Miscellaneous and Ornamental Iron Manufactures.
The National Lumber Manufacturers Association.
The Chamber of Commerce of the United States.
The Model Industry Association.
The National Electrical Manufacturers Association.
The National Boot and Shoe Manufacturers Association.
The American Iron and Steel Institute.
The Toilet Goods Association.
The Aeronautical Chamber of Commerce of America.
The American Newspaper Publishers Association.
The Automotive and Aviation Parts Manufacturers.
The American Paper and Pulp Association.
The Association of American Railroads.
The Brooklyn Chamber of Commerce.
The National Industrial Advertisers Association.
The National Association of Purchasing Agents.
The National Paint, Varnish, and Lacquer Association.
The National Standard Parts Association.
The Society of the Plastics Industry.
The United Typothetae of America.
The Valve Manufacturers Association.
The Structural Clay Products Institute.
The United States Rubber Co.
The Pacific Gas & Electric Co.
The B. F. Goodrich Co. of Akron.
The Lockheed Aircraft Corporation.
The Century Electric Co.
The Cincinnati Gas & Electric Co.
National Retail Dry Goods Association.
National Coffee Association.
The National Association of Retail Druggists.
National-American Wholesale Grocers' Association.
Milk Industry Foundation.
The Jewelers.

Hardware Age.
General Foods Corporation.
The Coca-Cola Co.
California & Hawaiian Sugar Refining Corporation, Ltd.
Associated Credit Bureaus of America.
United Fresh Fruit and Vegetable Association.

In addition, the program has also been endorsed by the Census Advisory Committee of the American Statistical Association, the American Marketing Association, and the American Industry Association. There has been no business objection to, or criticism of, the program on any grounds or from any quarter.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. TARVER. Since the amendment which I have offered merely restores language which the committee had placed in the bill originally, with the change made necessary by the ruling of the Chair on a technical point of order, I assume from the gentleman's remarks that he, as chairman of the committee, is approving the amendment offered?

Mr. CANNON of Missouri. We approve of the amendment in every respect and ask that the amendment be agreed to. There was complete agreement upon the part of the committee as to the program as a whole. The committee reported the proposed appropriations unanimously. There was no objection of any kind, from any source, either in the committee, from representatives of the departments; or upon the part of any Member of the Congress who appeared before the committee. The need of this provision is so well established that beyond peradventure of doubt it will be added by the Senate when it goes to that body.

Attention has been called repeatedly, Mr. Chairman, to the utter futility of raising technical points of order against important provisions of this character. Certainly the House of Representatives should be permitted to pass upon these matters of such import and allowed to legislate, instead of shunting all such legislation against which some technical point of order may be raised, to the other body and then accepting it when it comes back in conference.

Mr. CASE. Mr. Chairman, in order to refresh our memories as to the position in which we find ourselves, let me review briefly the parliamentary situation. Yesterday the gentleman from Wisconsin [Mr. KEEFE] made a point of order against the paragraph which provided $5,500,000 for further prosecution of the agricultural census. The point of order was sustained. The language used would have made that money available until the end of 1946, 6 months beyond the period covered by the bill. The amendment that was then offered by the gentleman from Georgia [Mr. TARVER], now pending, attempts to reinsert the $5,500,000, the same amount of money, to be spent in 6 months' less time. Obviously there is some inconsistency there, because if the money is for 6 months' less time, they should not need as much money, but the money is still in there for the same amount. I was not too sure as to why the urgency for this until I received one of my home State papers this morning, which carried this paragraph:

> The Federal agricultural census of South Dakota will begin January 2, 1945. The State has been divided into four districts, and an enumerator will be appointed for each through the office of the Democratic national committeeman. Davidson County is in the fourth district. Davidson County will have three subenumerators, to be paid $10 a day.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CASE. Sorry, but not now. Is there any urgency that calls for an appropriation of $5,500,000 on a work program of a census which has not yet begun? Originally this program was set up and $600,000 appropriated for setting up the work. Then an appropriation of $7,250,000 was made for carrying on the work after January 1, 1945. How can anybody today say that an emergency exists for appropriating $5,500,000 when $7,250,000 were already available for work yet to begin? Nobody knows yet whether there is an emergency or whether there will be any deficiency unless they want to extend the funds before the work is begun.

This whole question goes back to the manpower problem. This very bill in the preceding paragraph carries $10,000,000 to assist in procuring more labor to meet an emergency in farm labor. In the hearings there is testimony by the head of the Veterans' Administration, General Hines, that there is a critical shortage of nurses. The defenders of this amendment have said it was hoped to use some women employees, and yet General Hines says there is a critical need for more nurses in the Veterans' Administration, in the Army and in the Navy.

As for the statement of the gentleman from Georgia [Mr. TARVER] yesterday that it was important as a matter of food production, the testimony on this item in the hearings was that "one of the primary purposes of this census was to know what the war has done to our farms, and for reconversion." All in the post-war period. Bless you, the papers have been full of stories in the last day or two about the manpower situation in relation to war production. General Somervell, Secretary Patterson, and Mr. Krug have all said that the paramount need is to get ammunition and tires for the front and that more men and women are needed for war production. You have read that ammunition is being rationed at the front now. Therefore, what justification is there for appropriating five and one-half million dollars to expend for hiring 30,000 workers in a farm-census program for post-war use when the important need is to get more production, to get more ammunition for the boys at the front? No man can justify this amendment to the American public today if there is a shortage of manpower in production, as has been stated. I hope you will vote it down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask to be recognized for 5 minutes in opposition to the gentleman's position.

Mr. CASE. Mr. Chairman, I make the point of order that the gentleman has already spoken on this amendment.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to speak for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. JENNINGS. Mr. Chairman, I object.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. GAVIN. Mr. Chairman, since coming to Congress I have never posed as an agricultural expert other than the time I presented the gigantic string bean for the preview of the Congress—a bean grown by a Victory gardener up in my district.

So I am of the opinion we from the highly industrialized districts that pay the taxes should be more concerned about these various agricultural programs. So it is with reluctance, not being an agriculturist, that I inject myself into a debate of this nature.

However, yesterday afternoon I observed with a great deal of interest the fanatical zeal with which the distinguished Representatives of the farm States hopped to their feet to defend this amendment asking an additional $5,000,000 to an already $7,000,000 allocation to secure statistical information on farm production, or farm census, or whatever you want to call it, which, in my estimation, even after it is compiled will be about as stale and useless as some of the millions of dozens of eggs we now have in storage.

If I heard and understood correctly, it will keep on the pay roll from 28,000 to 30,000 people.

Well, this amendment should be voted down in a very definite manner. The great State of Pennsylvania, which I represent, highly industrialized, with 10,000,000 people, are paying approximately 10 percent of the Federal taxes. The workers of Pennsylvania, who by the sweat of their brow, are producing this tax money, are fed up on this type of spending.

It is about time for the Members of this House to cut out and curtail unnecessary expenditures during this war period and get down to the all-important job of putting people into productive enterprise to turn out the guns, ammunition, and equipment to win the war and not be creating programs that are competitive with war industries.

No greater contribution could be made to the war effort here today than to kill this whole census appropriation rather than increase it by $5,000,000 as the amendment proposes.

Let us take out of the lush pasture of political patronage these 27,000 to 30,000 census takers and permit them to find jobs providing foodstuffs on the farm rather than providing figures on paper that nobody reads or is concerned with to any great extent.

When the boys on the firing line and in the fox holes return and hear about some of this useless spending in census taking they will have plenty to say about it and a lot of other things.

I sincerely hope the membership of this House will vote down this amendment.

Mr. TABER. Mr. Chairman, I move that all debate on this amendment do now close.

Mr. RANKIN. Mr. Chairman, I trust the gentleman will not press that motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The question was taken, and the Chair announced that the ayes had it.

Mr. CANNON of Missouri. Mr. Chairman, I ask for a division.

The CHAIRMAN. Those in favor of the motion will rise and be counted.

Mr. RANKIN. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The Chair calls the attention of the gentleman to the fact that we are in the middle of a vote.

Mr. RANKIN. Mr. Chairman, I am offering a preferential motion. I move that the Committee do now rise.

The CHAIRMAN. The Chair will ask the gentleman to reconsider, because we are in the midst of taking a vote on a motion at this time.

Mr. RANKIN. Mr. Chairman, I am offering a preferential motion now.

The CHAIRMAN. The Chair cannot recognize the gentleman at this time for that purpose.

The question is on the motion offered by the gentleman from New York [Mr. TABER].

The question was taken; and there were—yeas 71, nays 18.

Mr. TARVER. Mr. Chairman, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. TABER. Mr. Chairman, I hope the Chair will count those going out on the other side of the aisle.

The CHAIRMAN. One hundred and six Members are present, a quorum.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CANNON of Missouri and Mr. TABER.

The Committee again divided; and the tellers reported that there were—ayes 97, noes 32.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 26, noes 81.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers, and pending that I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 37, noes 98.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CANNON of Missouri and Mr. TABER.

The Committee again divided and the tellers reported there were ayes 46 and noes 104.

So the motion was rejected.

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] has demanded tellers on the Tarver amendment.

Tellers were ordered, and the Chairman appointed Mr. CANNON of Missouri and Mr. TABER to act as tellers.

The Committee again divided; and the tellers reported there were ayes 48 and noes 109.

So the amendment was rejected.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. As I understand the situation, a motion to close debate on the pending section and all amendments thereto was agreed to.

The CHAIRMAN. The gentleman is mistaken. The motion was only on the amendment.

Mr. KEEFE. So that further debate upon the section is in order?

The CHAIRMAN. It is in order. The gentleman from Missouri will proceed.

Mr. CANNON of Missouri. Mr. Chairman, under the law an agricultural census will begin January 2. This is the customary census always held between the decennial censuses and an appropriation has already been made for that purpose in a previous appropriation bill. It, of course, is particularly important this year because of the unprecedented changes which have taken place, and the critical need for current information. This proposal is merely to supplement the regular agricultural census by broadening the range of inquiry to include certain data needed by business and the Government for post-war planning. Under this additional appropriation, the census enumerator, when he propounds the stereotyped questions required by the agricultural census, will ask the additional questions eliciting the information contemplated in the budget estimate and asked by the various business organizations urging the adoption of the estimate. I do not recall in my service on the Committee on Appropriations any measure on which we have had as many requests from representative business organizations, labor organizations, commercial organizations throughout the country as we have had for this item. Everyone realizes that the European phase of the war will be concluded in 1945, and certainly the Japanese war should be over not later than 1946.

We must not make the mistake this time we made after the last war and find ourselves suddenly confronted by peacetime conditions for which we have made no preparations. As a matter of fact, the need will be greater this time than before, because the war has lasted longer, more men have been enrolled in the armed forces; more men have been recruited for war industries, and business and economic conditions have been more completely disorganized than ever before in modern history.

The need for advance planning has been recognized from the beginning. The President instituted an agency for this purpose which by a vote of the House was discontinued. In the recent campaign one of the issues discussed by every newspaper, over every radio and elsewhere, was the need for planning for the post-war period in order to meet the new and novel conditions which will confront us at the conclusion of the war, and campaign speakers throughout that campaign stressed this need.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, is the gentleman trying to filibuster?

Mr. CANNON of Missouri. Mr. Chairman, I am trying to ask the House to meet one of the greatest needs before the American people today. There is absolutely no partisanship in anything I have said. There can be no partisanship in this proposition.

Mr. MARTIN of Massachusetts. Does the gentleman mean to say that taking a farm census is the greatest need of the American people?

Mr. CANNON of Missouri. This item in the bill has nothing to do with the farm census. That has already been provided for and is now in process of administration. This is for the simultaneous compilation of data requested by the business organizations of the Nation to assist in solving post-war problems and preventing a recurrence of the depression which followed the last war.

Mr. ROWE. Mr. Chairman, I object.

Mr. WILSON. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sample census of business: For all expenses of the Bureau of the Census necessary to collect, compile, analyze, and publish a sample census of business, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the Classification Act; purchase of books of reference, periodicals, maps, and newspapers; construction of tabulating machines; printing and binding; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics when incurred on the written

authority of the Secretary of Commerce; reimbursement for actual cost of ferry fares, and bridge, road, and tunnel tolls; and reimbursement at not to exceed 3 cents per mile of employees for expenses of travel performed by them in privately owned automobiles while engaged in census enumeration within the limits of their official stations; fiscal year 1945, $1,200,000, to remain available until June 30, 1946.

Mr. CASE. Mr. Chairman, I make a point of order against the paragraph just read on the ground it contains legislation unauthorized by law in an appropriation bill. The paragraph is cited in the report of the committee as one of those paragraphs containing legislation.

The CHAIRMAN. Does the gentleman from Missouri [Mr. CANNON] desire to be heard?

Mr. CANNON of Missouri. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman from Missouri concedes the point of order and the point of order is sustained.

The Clerk read as follows:

General administration: For an additional amcunt for general administration, fiscal year 1945, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945; and including not to exceed $2,500 for entertainment of officials in the field of aviation of other countries when specifically authorized and approved by the Administrator, $207,718.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, nothing that I have said this morning or at any other time in the discussion of this bill has had any political implication. I have discussed solely and sincerely the economic merits of the bill. But I have been this morning twice refused permission to continue in explanations of the provisions of the bill. It is unprecedented, Mr. Chairman. I do not recall when the Member in charge of a bill was not allowed an additional 5 minutes, if needed to explain the bill, when not discussing partisan matters. I have never injected politics into the discussion of appropriations.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I decline to yield to the gentleman at this time. He objected to my proceeding when I was merely discussing a purely economic question here when, under the long-established procedure of this House, the Member in charge of a bill——

Mr. MARTIN of Massachusetts. The gentleman is wrong. I never objected at all.

Mr. CANNON of Missouri. When I asked to proceed the gentleman reserved the right to object and gratuitously took advantage of the opportunity to make the ridiculous charge that I was filibustering. And under his reservation one of his partisans objected. It is as long as it is short.

Mr. MARTIN of Massachusetts. The gentleman is wrong. I never objected at all.

Mr. CANNON of Missouri. I ask for order.

I do not recall any recent instance, certainly not in my experience in this House, in which a Member in charge of a bill was not allowed an additional 5 minutes to explain an item in the bill, especially when no reason had been given for that exceptional discourtesy.

Mr. Chairman, one reason why I was glad the election was over was that I took for granted we were through with these petty, partisan interruptions which delayed and complicated the consideration of appropriation bills immediately preceding the election. It is discouraging to see the same puerile political tactics resumed in the consideration of the first appropriation bill to be taken up following the election. Certainly there is nothing proposed in this bill that is of a political nature.

The statement read here today from a vicious newspaper article is without any foundation of fact.

There is no provision of law under which the National Democratic Committee could make these appointments and even if there was, there is no occasion for their doing it. As a matter of fact, there is the greatest difficulty in securing enumerators in these farming centers, and the Bureau is restricted largely to women or to returned honorably discharged veterans.

This article is as preposterous as that old canard about "clear everything with Sidney." Everybody knows that was a lie. On the face of it, the only two men involved could not possibly have reported any such conversation, and yet it was repeated and reiterated on this floor every time we brought in an appropriation bill. It is easy to understand how a tale like that would be circulated before an election. It deceived many thoughtless people. But what is to be gained by circulating such a story as this, now that the election is over, and disrupting the deliberations of the House, and especially when all the enumerators have already been appointed. It is not only pointless and as witless, but it has a much more sinister aspect in view of the importance of saving the country from another post-war depression.

If there ever was a time when partisan bickering is out of place on this floor, it is now. American men are dying on a thousand battle fronts this morning. American blood is flowing in rivers this minute. Many of the men who have been sent over there by virtue of the unanimous vote of this House will never come back. Hundreds of thousands of those who do come back will return shattered in health and in limb. And all of them will come back under the pressing necessity of getting back into civil life and getting started all over again. This provision, sought by the business interests of the Nation, is designed to meet that specific need. They must not come back to selling apples on the street. But that is what they will come back to unless this House stops this foolishness and throws politics overboard and gets down to legitimate business. We sent those boys over there. And it is up to us to see that they get a square deal when they get back. And it is just as incumbent on us to see that American business gets a square deal. This spectacle of men here on the floor throwing monkey wrenches into the machinery will not help the boys—it will not help American business in foreign or domestic markets, and it will not help the monkey-wrench throwers. As indicative of the grave situation ahead and the importance of meeting it in a businesslike way, let me give you just a few representative letters from the many received by the Department and filed with the committee on this item.

Here is one typical of a class of inquiries being received every day:

E. PAUL BEHLES & ASSOCIATES, INC.,
Baltimore, Md., June 13, 1938.

BUREAU OF HOME ECONOMICS.
United States Department
of Agriculture, Washington, D. C.

Subject: Department and apparel store statistics.

GENTLEMEN: The Market Research Division of the Department of Commerce has referred us to your office for data which we are anxious to obtain in connection with our department-store planning and merchandise engineering.

We would like to have:

1. Data showing the per capita earning power for different cities and States for different periods.

2. The per capita purchases per annum in department stores, fur stores, men's clothing, etc., for different cities and States.

3. How many shoes are sold? Under $3; between $3 and $5; between $5 and $8.

The same break-down in other classifications such as: Women's dresses, hats, men's clothing, furs, jewelry, etc.

In other words, in merchandising, in various cities, we want to determine what price ranges hold the greatest potential opportunities.

We also want to determine, what cities have reached the saturation point, with present retail set-up to the earning power of the community.

We also want to determine, if possible, what type of city or community contributes most heavily to the volume of mail-order business. We presume that it is the smaller settlements, however, we should like to ascertain the dividing line.

Kindly furnish us with such papers or booklets which you have available on the above subject.

Also kindly place us on your mailing list so that we may receive your material regularly as it is issued. Thanking you, we are,

Sincerely yours,

E. PAUL BEHLES.

Kindly reply to the Baltimore office.

Here is one that touches on a matter of interest to every doughboy who plans to return to farming if he gets back whole—or if he gets back at all:

INTERNATIONAL HARVESTER CO.,
Dallas, Tex., March 9, 1938.

BUREAU OF HOME ECONOMICS,
Department of Agriculture,
Washington, D. C.

GENTLEMEN: Do you have any statistics showing the average income of a Texas farmer? What I would like to have, if possible, is statistics showing the average income of the farmer in the Dairy Belt, the Wheat Belt, the Corn Belt, and the Cotton Belt. If you have this information available, I would certainly appreciate your sending same to me.

Yours very truly,

GRAYSON PHILLIPS,
Correspondent.

Here is one that appeals to all returning soldiers, as well as to business and industry:

THE FIDELITY MUTUAL LIFE INSURANCE CO.,
Philadelphia, Pa., April 27, 1938.
SUPERINTENDENT OF DOCUMENTS,
Washington, D. C.

DEAR SIR: Would you please let me know whether the Government publishes information showing the wealth of the individual States in the country; also, does it publish figures showing the income for individual States, and the average income of the people living in the States? Have there been any figures prepared showing the standard of living as it exists in the individual States?

If these figures are available, will you please let me know how they may be obtained as promptly as possible?

Very truly yours,
GEORGE A. D. MULLER,
Statistician, Securities Department.

Here is one that should have particular consideration. We cannot crowd all the American people into the great centers of population:

NEW JERSEY PRESS ASSOCIATION,
New Brunswick, N. J., January 27, 1938.
BUREAU OF HOME ECONOMICS,
Department of Agriculture,
Washington, D. C.

GENTLEMEN: We are interested in your studies of the income of families in American villages. Please send us any publications of these studies that are available and we shall be glad to pay any cost that is involved.

Sincerely,
CHARLES L. ALLEN,
Executive Secretary.

The need for statistics on individual localities is illustrated in this letter:

FIRST NATIONAL BANK,
Lincoln, Ill., January 7, 1938.
UNITED STATES DEPARTMENT OF AGRICULTURE,
Bureau of Home Economics,
Washington, D. C.

GENTLEMEN: We are writing to ask if you will please send to us copies of the following releases from the Study of Consumer Purchases (A W. P. A. Project):

Distribution of Families by Income and Family Type—1935–36, tables 2002–1.

Median Family Income in Specified Cities, 1935–36, CS 2–1.

We are particularly interested in statistics for the city of Lincoln, Ill.

Thanking you in advance, we are

Yours very truly,
PAUL T. BETZ,
Executive Vice President.

The dependence of business on the accuracy and completeness of these reports is indicated in the following letter:

RICHMOND TIMES-DISPATCH,
Richmond, Va., July 11, 1939.
UNITED STATES DEPARTMENT OF AGRICULTURE,
Bureau of Home Economics, Study of Consumer Purchases,
Washington, D. C.

GENTLEMEN: We have just seen table 16182–1 (preliminary release) showing a study of distribution of families by income and family type, 1935–36, for 33 villages in Georgia, South Carolina, North Carolina, and Mississippi.

If you have a comparable study which covers the State of Virginia we would like very much to receive a copy.

Yours very truly,
FREDERICK SALE,
Local Advertising Manager.

This letter indicates the wide range of business interests applying for information of this character:

MARYLAND STATE PLANNING COMMISSION,
Baltimore, Md., April 21, 1938.
Dr. DAY MONROE,
Bureau of Home Economics, United States Department of Agriculture,
Washington, D. C.

DEAR DR. MONROE: We are making a study of recreational facilities in the State of Maryland in cooperation with the National Park Service. In this connection, we would like to obtain income data for the counties of Maryland and principal cities and towns, if possible, as follows:

1. Number of persons or families, by income groups.
2. Approximate amount of per capita or per family marginal income.
3. Number of persons or families with probable submarginal incomes.

Mr. Harold Merrill, acting counselor, Region No. 2, of the National Resources Committee, has suggested that data on the above subjects might be available from your consumer purchases and real property inventory studies.

If you have available any bulletin material bearing on these subjects, it will be appreciated if you can find it possible to send us copies.

Yours very truly,
FRANCIS D. FRIEDLEIN,
Executive Secretary.

Here is a letter submitting the type of inquiry perhaps most frequently received:

COLE & CO.,
Memphis, Tenn., October 24, 1938.
BUREAU OF ECONOMICS,
Department of Agriculture,
Washington, D. C.

GENTLEMEN: We understand that you have a survey on family incomes in cities, villages, and farms in the various parts of the country.

Will you kindly advise us where we might obtain one of these surveys and its cost?

Cordially,
LESTER W. COLE,
COLE & CO.

This request indicates the failure of general statistics to furnish the detailed data which a survey of the character proposed to be secured through the pending bill will supply:

SYRACUSE CHAMBER OF COMMERCE,
Syracuse, N. Y., December 31, 1937.
DEPARTMENT OF AGRICULTURE,
Washington, D. C.

GENTLEMEN: There appeared in the Syracuse Herald several nights ago an article revealing a Federal survey showing the family earnings in small towns. I understand that the study was requested by the United States Chamber of Commerce, following plans drawn by the Social Science Research Council, and was conducted in cooperation with the Bureau of Labor Statistics.

I would very much like to have a breakdown of this information if it were possible to obtain same.

The article to which I refer said nothing about the situation in New York State. Undoubtedly these figures did appear in the study. I trust it will be possible for you to favor us with a copy of the complete information.

Cordially yours,
FREDERICK E. NORTON,
Secretary.

Mr. Chairman, let me appeal to my friends on both sides of the aisle to support the committee and the pending bill. The bill under discussion was reported out by the unanimous vote of the committee. There was not a dissenting vote. Why not give American business and American armies assurance that while they are united on the military front abroad, and the economic front here at home, we are united on the legislative front here on this floor.

Mr. CASE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in view of the reference which the gentleman from Missouri made to the newspaper article I read, I think I should state a few facts with regard to the newspaper. The implication was that this was a newspaper article from some obscure paper that was interested in putting forth a prejudiced political viewpoint. Actually, the paragraph I read is from the Daily Republic, of Mitchell, S. Dak., which was the most ardent advocate for the New Deal in the recent election that we had in the State of South Dakota. The Daily Republic is one of the principal newspapers in the State, is the only newspaper in the State with full leased-wire services of both the Associated Press and United Press. It has an exceptionally large circulation for a newspaper in its area. The column from which I read the article is a column entitled "The Soap Box," by Jack Bailey, who has been both on the Daily Republic and in his previous connection on the Aberdeen American News, recognized as the most outspoken New Deal columnist in the State of South Dakota.

I did not read quite all of that paragraph and possibly I should read it in full now so that the committee may have the entire text.

A Federal agricultural census of South Dakota will begin January 2, 1945. * * * The State has been divided into four districts, and an enumerator will be appointed for each through the offices of the Democratic national committeeman * * * Davison County is in the fouth district. * * * The enumerator for this division will be A. O. Steensland, of Beresford, former head of the Home Owners' Loan Corporation for South Dakota and an ex-State senator.

I might interpose that Mr. Steensland is a distinguished citizen of the State, a former Democratic Party official in the State of South Dakota, and was the party's candidate for Governor a few years ago. The item concludes with this sentence:

Davison County will have three subenumerators to be paid $10 a day.

So the item is not from Republican authority; it comes as a simple news comment in a column in the most independent newspaper in South Dakota, by the most outspoken New Deal columnist we have in South Dakota. Neither the paper nor the columnist could have had any partisan or prejudiced purpose in carrying the item in the edition which reached Washington this morning.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I wish to say on the most careful consideration that regardless of who this man is or whom he represents or what his political opinions are, there is absolutely no truth in his statement. The law does not provide or permit political consideration in making these appointments. As a matter of fact, as has been said, the Department

is having great difficulty in securing enumerators. As everybody knows, they have had difficulty getting anybody to take these positions. The result is that practically all of the enumerators will be women or honorably discharged veterans. So great has been the difficulty in securing personnel that the State Administrator for the State of Missouri—the State head of the activity—had to be brought in from the outside and is a permanent employee of the Bureau of the Census here in Washington. There is no law, and the gentleman cannot cite any law, under which appointments under the Census would have to be referred to or cleared by any political organization. It is to be regretted that so reprehensible a consideration should be injected into a nonpartisan matter of such vital concern to the entire country.

Mr. TABER. Mr. Chairman, I move that all debate on this paragraph do now close.

The motion was agreed to.

The Clerk read as follows:

Technical development: For an additional amount, fiscal year 1945, for technical development, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $62,000.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would not ask for the floor at this time if I were not greatly agitated by some of the remarks that have been made, regarding this farm census. I think it is time that the country woke up to the fact that somebody has to do a little work with their hands. I guarantee that there would be fewer applications for some of these fat jobs if the assignment had been given for them to get out and hoe potatoes or pick peas, or do something else of a manual nature. I am here to say that if the Government is so anxious to give out jobs, it is time that some of the interested parties got a chance to do real manual labor and harvest the crops and produce food for victory that we must have if we expect to win this war. Now there is a serious question in my mind whether, even if this amount of money is appropriated for an agricultural census, you will be able to get enough people to take the census, because you cannot get enough agricultural workers at the present time. They are drafting men into the armed forces by the hundreds from the farms in my district so that there are not enough to do the ordinary farm work.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. I was just curious to inquire, representing a great farming district in the city of Boston, whether or not crops are taken care of, grown, produced and picked during January, February, and March?

Mr. EDWIN ARTHUR HALL. Well, the only answer I can give the gentleman is that about April they will start importing a lot of workers from Jamaica and other points south. They will be brought into my district in up-State New York and put to work. At the same time, they are drafting boys off the farms in my district so that there are not enough farm laborers to even plant the crops, to say nothing of harvesting them. For that reason, I think we should give serious thought to the lack of farm labor before we start wrangling over an item of $5,000,000. As a member of the Committee on Agriculture, I, for one, believe that these funds could be put to better use if they were used for something else besides an agricultural census at this time.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman.

Mr. ROWE. Am I to assume from the statement made by the majority leader, that in the early part of the year, the farmers of this country have nothing to do?

Mr. EDWIN ARTHUR HALL. Apparently. That is what I gathered also. But after all, our distinguished friend is from Boston, from the "agricultural" district of Boston.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. McCORMACK. The gentlemen, of course, stretched the point and drew an inference which was not justified. The gentlemen had talked about utilizing these jobs for picking crops. I was just inquiring what crops are grown during January, February, and March?

Mr. EDWIN ARTHUR HALL. It will not be too long before we will be thinking about these things. I repeat, crops must be planted before they are grown or harvested. I think we ought to forestall any appropriation of $5,000,000 for an agricultural census.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

GENERAL LAND OFFICE

Salaries: For an additional amount for personal services in the District of Columbia, fiscal year 1945, $20,000.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word and do so for the purpose of inquiring from the chairman of the committee what justification there is for the increase in appropriation to the office of the High Commissioner of the Philippine Islands, which I had understood, was dormant, in view of the existing conditions and relations. While the amount involved is comparatively small, only eighteen or twenty thousand dollars, I am curious to know the justification for any added expense to that office.

Mr. CANNON of Missouri. Mr. Chairman, this is looking forward; it anticipates what might happen or what is expected to happen in the near future.

It was impossible to tell, at the time the Budget estimate was made—and the time it was considered by the committee, just what would develop. We feel certain that within a few months there will be changes over there of great importance. With that in view, the Budget recommended, and the committee unanimously adopted this provision, so as to be in a position to meet any exigencies which might arise.

Mr. COLE of New York. By that does the gentleman mean they anticipate the possibility that the United States High Commissioner of the Philippines would actually move his office back to the Philippine Islands?

Mr. CANNON of Missouri. There is every indication at the present time that it is merely a matter of time before that very happy consummation may be realized.

Mr. COLE of New York. Then it is intended that as soon as the Philippines are liberated, the United States High Commissioner will return to the Philippines?

Mr. CANNON of Missouri. Yes; of course, when that occurs it is necessary for us to be in a position to meet the emergency. There may be some preliminary expenses, also, incident to his return.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

Sun River project, Mont., $110,000.

Mr. O'CONNOR of Montana. Mr. Chairman, I move to strike out the last word.

My purpose is to inquire from the chairman of the subcommittee what prompted the committee to leave out the $400,000 provided for the construction of transmission lines from Fort Peck to Williston, N. Dak., and to Glendive, Mont. They were provided for, for the development of war food products. This amount was cleared by the Bureau of the Budget and was supported by the Bureau of Reclamation. It seems to me that as a war food project, having been sc established already, it should have been included in this bill.

Mr. CANNON of Missouri. I do not think there was any difference of opinion in the committee from that expressed by the gentleman from Montana, but along with other items which needed further investigation and which, in the short time we had to bring this bill to the floor, we were not able to give adequate consideration, and which, in view of the further fact that the need was not a matter of pressing concern, were deferred without prejudice, to the regular committee.

The omission does not mean that there was any doubt on the part of the committee as to the importance and necessity of this provision, but we were not in a position to give this and certain other projects the attention they should have. For that reason we left this item to the regular subcommittee, which has charge of the Interior Department appropriation bill, to be brought up early in the next Congress.

Mr. O'CONNOR. Then as I understand the position of the chairman, it is that the amount will be allowed later on in the regular bill.

Mr. CANNON of Missouri. I do not know as to the amount that can be allowed. That is a matter that will be under consideration when the estimate is taken up in the next session, but attention will be given to the project, and the

omission of the item now in no way militates against its ultimate approval.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD concerning the Sun River project in Montana, and, likewise, concerning the item of $400,000 with reference to the construction of transmission lines out of Fort Peck.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

SUN RIVER, MONT., PROJECT

Mr. O'CONNOR. Mr. Chairman, what is known as the Sun River project in Montana is one of the first to be established and has been very successful in bringing into production farm products theretofore arid lands. As part of the system of irrigation there was established years ago what might be termed an old wood-stave siphon. It has been in use upward of 30 years, and with the constant use and washing of water debris, and so forth, it is in a state of almost complete dilapidation.

This $110,000 item included in the bill is made necessary to build a concrete siphon that will last for nearly a century. This construction cannot be delayed any longer without endangering the entire irrigation operations. My understanding is that there is $43,000 available to apply on that account now, and according to the best information it will take that sum plus the $110,000 to build the concrete siphon with some small back fills, and so forth.

This item is supported by the Bureau of Reclamation and has been recommended by the Bureau of the Budget.

FORT PECK PROJECT, MONTANA

The $400,000 item mentioned in the Fort Peck project in Montana is to meet the cost of work on two power lines of the Fort Peck power system. One of these power lines runs to Glendive, Mont., and the other runs to Williston, N. Dak. The Glendive line is under construction at the present time to serve irrigation and pumping plants. These projects have been constructed during the war as war-food projects. The estimated total cost of the Glendive line is $1,542,000 of which $717,800 already has been expended.

This is a irrigation item, and it is very important to the production of war foods and, after the war, farm production.

This item is supported by the Bureau of Reclamation and has been recommended by the Bureau of the Budget and should be included in this bill.

The Clerk read as follows:

Gaging streams: For an additional amount for gaging streams, fiscal year 1945, $80,000; and the amount that shall be available only for cooperation with States or municipalities is hereby increased to $1,180,000.

Mr. ELLSWORTH. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: On page 28, after line 26, insert:

"Bureau of Mines: For an additional amount for mining experiment stations, fiscal year 1945, including the objects specified under this head in the Interior Department Appropriation Act, 1945, $160,000."

Mr. ELLSWORTH. Mr. Chairman, this item is one of the small items on the list of deferred items which the chairman mentioned a moment ago, deferred by the committee without prejudice, with the understanding that such items would be regularly considered when the regular appropriation bill came along. This item was deferred, as I understand it, for two principal reasons: One, that it is not urgent at this time and can be handled later when the next regular appropriation bill is considered. The other is that the work specified in these projects listed in the $160,000 request, could be done at other laboratories.

The facts regarding this particular item are these. The laboratory referred to is a new electrometallurgical laboratory at Albany, Oreg., which was completed only 3 or 4 months ago. It was placed in operation shortly after the beginning of the fiscal year. The present appropriation for basic maintenance and operating was set up last year and the Bureau of Mines informs me that the laboratory was completed some 3 months ago and is now ready for operation and that it has a maintenance crew and operating crew on the job. It is a fine laboratory, costing some $500,000, and I feel that the appropriation item for full operation during the coming 6 months should be included in this bill.

As to the second reason, that the work proposed is being done or can be done at other laboratories, in the hearings Dr. Dean, of the Bureau of Mines said that the work proposed to be done at the Albany laboratory could not be done at other plants.

The history of the item is this. The Bureau made a request totaling $365,000, but in listing provisions for this laboratory the Bureau of the Budget eliminated two projects, and submitted a different estimate of $160,000 which sum is included in this amendment.

The basis for making operating appropriations which seems to have been established for the new laboratory, is the same as the basis established for other large laboratories, operated by the Bureau of Mines, with this exception, that the basic appropriation such as was granted this laboratory a year ago calls for a basic maintenance and operation amount which is just enough to keep the doors open.

In the case of the other laboratories, project funds come from other appropriations. In the case of this laboratory, the appropriation has to be made directly for it. So the situation with respect to this new laboratory is different from the other several laboratories that the Bureau operates; hence the urgency of the situation and the reason why I take the time of the House at this point to ask that the amendment appropriating $160,000 to keep this laboratory in operation during the next 6 months be adopted.

The work that will be done bears directly upon the war problem. They are working on the electro development of lead and zinc. Lead, as you know, has been placed on the allocation list as a scarce metal. These metals will be used in making cartridge brass. Another project is for the recovery of nickel and another is for the production of an entirely new rust-resistant metal known as zirconium. This laboratory cannot go to work on these problems until the next fiscal year beginning July 1 unless this amendment is adopted.

The laboratory is a new one. It was authorized by a war Congress. It has been constructed during the war period and it is working on metal matters directly bearing on the conduct of the war. I therefore submit that this is urgent and that the appropriation should be granted.

Mr. JENNINGS. Will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Has the Government invested anything in this laboratory?

Mr. ELLSWORTH. Yes; a half-million dollars.

Mr. JENNINGS. Has the Government the equipment there and the chemists who can carry on this work?

Mr. ELLSWORTH. It would have to employ a few men, I think totaling something under 30 if all these projects are undertaken. They have about 23 employees now. All of the equipment is installed and it is a beautiful plant. I was through it myself about 2 months ago and it is one of the finest plants in the country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH].

Mr. Chairman, this laboratory is one of the newer laboratories. It has recently been established and is not yet in complete operation. In addition to that it is proposed to initiate there a character of work which is now being handled in various other laboratories in other parts of the country. There is, naturally, a possibility that there may be some duplication if work proceeds immediately before there has been opportunity for correlation of the work of these laboratories. For this reason the project seems to require additional study for which time was not available before this bill came to the floor, and in view of the fact there was no emergency and that certain various phases of this work are already under way in other establishments, it was thought best to defer this proposition for consideration by the regular subcommittee, which will start hearings on the Interior appropriation bill shortly after the beginning of the next session.

Mr. ELLSWORTH. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I believe in the hearings it was stated, was it not, that the principal project which the Budget allowed in the estimate could not be done at the other laboratories and that the other laboratories were already operating up to capacity? I believe that was stated by Dr. Dean in the hearings?

Mr. CANNON of Missouri. I do not recall the exact statement to which the gentleman refers but on page 297 of the hearings I said to Dr. Dean:

You tell us here on the first page of your section of the justifications that immediately after the renovation period, because of the lack of research facilities and of operating funds, it has been found necessary to utilize other stations of the Bureau, particularly those at Salt Lake City, Boulder City, and Pullman, in carrying out the development work on certain problems of special development to the Pacific Northwest?

Because those stations were available, we thought it best to defer the matter so that it would have sufficient study to insure an integrated plan when the work was finally undertaken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 31, noes 50.

So the amendment was rejected.

Mr. COCHRAN. Mr. Chairman, in view of the vote taken last night on the bill providing for an additional clerk for the Members of Congress, I ask unanimous consent to return to page 2 in order that I may offer an amendment after line 9.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. CANNON of Missouri. Mr. Chairman, by direction of the Committee on Appropriations I am instructed to say that we have no objection to the inclusion of this amendment.

Mr. TARVER. Mr. Chairman, reserving the right to object, I wish to say that I realize, and every Member of the House realizes, because it was made clear on yesterday, that not only can a Member who desires to do so object to the unanimous-consent request submitted by the gentleman from Missouri, but any Member can, when the amendment is offered, make a point of order against the amendment upon the ground that the appropriation is not authorized by law.

While I am opposed to the enactment of the proposed law, opposed it on its passage yesterday, and opposed to the making of the appropriation which his amendment will propose, and shall not vote for the making of the appropriation, I do not feel it is my duty to place my individual will as one Member of this House against the will of the overwhelming majority of the membership of the House as expressed on yesterday. So far as I am concerned I shall not object to the request made by the gentleman from Missouri, nor shall I submit a point of order against the amendment when it is proposed.

Mr. SMITH of Ohio. Mr. Chairman, reserving the right to object, I should like to ask the gentleman from Missouri [Mr. COCHRAN] whether he feels this is a good way to legislate?

Mr. COCHRAN. May I say to the gentleman from Ohio that I have operated here since last Friday along the lines suggested to me by members of the Committee on Appropriations. I do not think that it is a good way to legislate to put legislative riders on appropriation bills. But you have about 15 in this bill. By reason of the fact that the committee said they are essential, I would be the last one to make a point of order against any of them. The House has spoken on this subject. The Members of this House know that the Senate has never refused a request of this character from the House of Representatives. It will pass the Senate beyond question. The fact of the matter is that your Committee on Accounts unanimously reported this and the House by an overwhelming majority passed it. It belongs here as it is a supplemental appropriation. Therefore, I think it is in a good place.

Mr. SMITH of Ohio. Suppose a point of order is made against this amendment and it is sustained. How long would it be before the Committee on Appropriations could take such action as would put this proposed legislation in proper form to be presented to the House?

Mr. COCHRAN. The Committee on Appropriations can wait 4 or 5 months before it does anything. If the amendment is adopted here, or if the bill is enacted into law, the money to pay this comes out of the fund which we have appropriated for clerk hire to Members. This is an amendment to the basic law. Therefore, it goes into effect and the money is paid out of those funds. In 2, 3, 4, or 5 months it will be necessary to make a supplemental appropriation to cover these expenses.

Mr. SMITH of Ohio. I wish it to be understood distinctly that I do not desire to indulge in any dilatory tactics merely for the purpose of delaying the enactment of this proposed legislation. I realize this legislation will eventually go through in any event. I am just wondering, however, whether it would not be possible for the gentleman to have an understanding with the Committee on Appropriations. He has had an understanding with that committee, or at least with the chairman of that committee, that there will be no objection, no point of order raised from that source, against the amendment the gentleman from Missouri proposes to offer. I am just wondering whether the gentleman could not have some understanding with the Committee on Appropriations to bring in legislation in proper form so that it could be taken care of in the next few days. We have passed the stage in this House where we are truly legislating. We are simply mechanically grinding out laws. I deplore this manner of making laws.

Mr. COCHRAN. When I made my request my colleague from Missouri was recognized, speaking for the Committee on Appropriations and he, being the chairman of that committee, stated that the committee had no objection now that the House had spoken upon the question. He stated that a minute ago.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 2, after line 9, insert the following:

"ADDITIONAL CLERK HIRE

"Effective January 1, 1945, the clerk hire of each Member, Delegate, and Resident Commissioner shall be at the rate of $9,500 per annum, and such officials and chairmen of standing committees (other than the Committee on Appropriations, which is governed by other law) may rearrange or change the schedules or salaries and the number of employees in their respective offices or committees: *Provided*, That no salary shall be fixed hereunder at a rate in excess of $5,000 per annum, and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than $5,000 per annum: *Provided further*, That such changes as may be made in consequence hereof shall not increase the aggregate of the salaries provided for such offices or committees for the fiscal year ending June 30, 1945, or thereafter, beyond the additional amount herein authorized for clerk hire for Representatives, Delegates, and the Resident Commissioner from Puerto Rico, and an amount equivalent to the difference between the aggregate amount appropriated for salaries of a standing committee for the fiscal year 1945 and the amount required to increase the compensation rate prevailing on December 6, 1944 (in case of a vacancy, the rate last paid), to the clerk of a standing committee to a rate not in excess of $5,000 per annum: *Provided further*, That no compensation rate shall be established in pursuance hereof which is not a multiple of five: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the 10th day of the month in which rearrangements or changes of salary schedules are to become effective, shall certify in writing such rearrangements or changes to the disbursing office, which shall thereafter pay such employees in accordance with such rearrangements or changes: *Provided further*, That the provisions of this paragraph shall supersede any law in conflict therewith.

"For an additional amount, fiscal year 1945, for committee employees, to be available solely for expenditure for additional compensation for clerks to standing committees, as authorized in the preceding paragraph, $42,630.

"For an additional amount, fiscal year 1945, for clerk hire, Members and Delegates, $657,000."

Mr. CANNON of Missouri (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that this amendment was read yesterday and the contents are familiar to all members of the committee, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. ROWE. I object, Mr. Chairman, and make the point of order against the amendment that the appropriation is not authorized by law.

Mr. TABER. Mr. Chairman, I hope the membership understands that the doing away with the reading of this amendment and having it printed in the RECORD does not waive the point of order that may be made against it. It may be printed in the RECORD by unanimous consent and still a point of order may be raised against it after it is so printed. That is correct, is it not?

Mr. CANNON of Missouri. Mr. Chairman, we could not distinctly hear the request of the gentleman from Missouri [Mr. COCHRAN]. Depending upon its phrasing, it may be too late to raise the point of order.

The CHAIRMAN. The Chair will state to the gentleman from Missouri and the gentleman from New York that the Clerk has not finished reading the amendment.

Mr. TABER. Mr. Chairman, I understand that, but a request was made that consent be given that it be printed in the RECORD and that the reading be dispensed with. I want the membership to understand that, if that consent is given, there would still be an opportunity to make a point of order against it if they wished to do so.

Mr. ROWE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROWE. Mr. Chairman, if, as the chairman of the Committee on Appropriations states, it is now too late to raise the point of order, when can it be raised?

Mr. TABER. Mr. Chairman, it is not too late.

The CHAIRMAN. The point of order can be made after the amendment has been read.

The Clerk will continue the reading of the amendment offered by the gentleman from Missouri [Mr. COCHRAN.]

The Clerk concluded the reading of the amendment.

The gentleman from Missouri is recognized for 5 minutes.

Mr. ROWE. Mr. Chairman, I make a point of order that the appropriation is not authorized by law.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard?

Mr. COCHRAN. Mr. Chairman, I always try to abide by the rules of the House. They must be preserved no matter the cost. I think I know the rules of the House. I made it as plain as I possibly could what I desired to do when I stated that in view of the vote taken last night, I asked unanimous consent to return to page 2 that I might offer an amendment following line 9. That unanimous consent was granted. In my opinion, under the rules, that did not waive a point of order. I did not ask for a waiver of a point of order. As much as I would like to see this matter handled in this manner, I will support the rules of the House and therefore, Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time to ask some questions of the chairman of the subcommittee.

Is adequate appropriation provided for in the bill to take care of getting additional labor for the purpose of assisting the farmers, in areas such as my own in Montana, where there is a keen labor shortage? We have to bring into this country labor, such as Mexican labor, to provide adequate help to take care of our sugar-beet crop, for instance, which requires so much hand work. Does the gentleman feel that adequate appropriation is provided in this bill, so that we will have sufficient help to take care of our crops in ample time?

Mr. CANNON of Missouri. Mr. Chairman, provision for the recruitment and allocation of farm labor is one of the salient features of this bill. The Committee had before it voluntary representatives from all spot crop States, especially those in the West and Northwest. Their testimony was conclusive on two points, first, the need of additional labor, and, second, the success of the system under which it has been provided during the past season.

I do not think any part of the war program which we have initiated has been so successful as the arrangement under which we provided intrastate and interstate and international labor in those sections where there is a peak of need for labor, either at planting or at harvesting. The testimony before the committee was unanimous to the effect that the present system is highly satisfactory and that under it we have broken all records of food production, especially in the sugar-beet industry and the citrus-fruit industry. With that in view, and I think perhaps the only item in the bill in which we went further than the Budget estimates, we went so far as to extend the time in which contracts might be made, and also provided contractual authority for an additional $10,000,000. We will have available for this purpose on the 1st day of next January $8,000,000 from the current appropriation. That will give for this purpose an aggregate of $18,000,000, with the understanding that if additional funds are necessary the committee shall be glad to consider any Budget estimate for such an item in future deficiency appropriation bills.

Mr. O'CONNOR. I want to say to the gentleman that we in Montana, which State ranks third in production of sugar beets now, could not possibly harvest and take care of our crops without the additional help to which the gentleman has referred.

Mr. CANNON of Missouri. That seems to have been the situation in various sections of the country and no doubt accounts for the remarkable record of production both this year and last. Both in 1944, as in 1943, American farmers have broken all-time production records. No substantial losses of crops at harvest time have occurred due to shortage of labor. Again, as in 1943, the Cooperative Extension Service of the State agricultural colleges and the Department of Agriculture has rendered important wartime service in the recruitment and placement of local domestic labor and in facilitating arrangements for foreign and prisoner-of-war labor in areas where the domestic supply of labor was inadequate.

Using funds allocated to State extension services under the provisions of Public Law No. 229, the Extension Service has established and operated 12,000 county and community farm labor offices, about two-thirds of which were handled by volunteer leaders working under the direction of the 3,000 county agricultural agents. County farm labor assistants and other necessary additional personnel have been employed as needed, the number varying from 2,500 on March 1, to 4,600 in August, a peak harvest month.

Basic to any sound farm labor program is the full utilization of the labor and machinery on farms. An intensive program of sharing labor and equipment, of developing ways and means of reducing labor requirements, of eliminating operations not essential to production in wartime, and of training new farm workers to increase their output has reached 1,000,000 during 1944. Special information programs have been conducted to interest nonfarm people in farm work.

The Victory-farm-volunteers program has directly influenced hundreds of thousands of nonfarm youth to work on farms for shorter or longer periods. In a similar way, the women's land army program has been responsible for hundreds of thousands of additional women contributing to agricultural production during the war period.

Some of the 1944 accomplishments may be expressed statistically as follows:

Farm labor placements reported by State extension services—Jan. 1 to Oct. 31, 1944	4,627,000
Of which number there were—	
Men (including families)	2,834,000
Youth	1,196,000
Women	597,000

During the full calendar year of 1944 it is expected that the Extension Service will have supplied farmers with 125,000,000 man-days of labor—not including transported interstate and foreign workers—at a cost of less than 5 cents per man-day. This represents between 22 and 25 percent of all hired labor on farms during 1944.

At the request of Selective Service, the Extension Service has investigated and reported on the production status of 1,100,000 cases of deferment of farm workers.

Cost of the extension farm-labor program

	Minimum	Maximum
Available under Public Law 45 for allocation to State extension services, 1943	$9,000,000	$13,050,000
Expended by States, Apr. 29 to Dec. 31, 1943	4,655,000	4,655,000
Unexpended balance carried into 1944	4,345,000	8,395,000
Increase in funds available for allocation to States in 1944, Public Law 229	5,000,000	5,450,000
Total available for 1944	9,345,000	13,845,000
Expended by State extension services, 1944 (actual, Jan. 1 to Oct. 31; estimated, Nov. 1 to Dec. 31)	8,614,000	8,614,000
Balance available for 1945	731,000	[1] 5,231,000

[1] Assuming no transfer to the foreign and interstate program.

The Extension Service has been able to achieve these outstanding accomplishments at a minimum of expense, as indicated. For example, in 1943, dur-

ing an 8-month period, the Extension Service expended only $4,655,000 of the minimum of $9,000,000 and the maximum of $13,050,000 which was available for expenditure, thus returning to the Treasury unexpended a maximum of $8,395,000. During the entire calendar year 1944 the Extension Service greatly expanded its assistance to meet the needs of farmers for farm labor, yet the total cost of this service was less than the minimum funds allocated for this purpose. The total expenditures are estimated at $8,614,000, compared to a minimum of $9,345,000 and a maximum allocation of $13,845,000. Thus in 1944, the Extension Service has continued this work so as to bring about a total maximum saving of $5,231,000 and $8,395,000 in 1943, as compared with the amounts allocated for the work.

The Clerk read as follows:

Consumer expenditures and savings study: For all expenses of the Department of Labor necessary to collect, compile, and analyze statistics with respect to the consumer expenditures and savings in predominantly nonrural areas, to publish the results thereof, and to compile statistics collected by the Department of Agriculture in other areas, such expenses to include personal services in the District of Columbia and other items properly chargeable to the appropriations for the Department of Labor for contingent expenses, travel, and printing and binding, fiscal year 1945, $1,532,000, to remain available until June 30, 1946.

Mr. H. CARL ANDERSEN. Mr. Chairman, I make the point of order against the paragraph beginning on line 8 and ending in line 18, page 31, on the ground that it is legislation on an appropriation bill, not authorized by law.

Mr. KERR. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order.

Mr. CASE. Mr. Chairman, I move to strike out the last word. I do not care to take the time of the Committee on a technical matter, but in view of a statement made by the chairman of the Committee on Appropriations, with reference to the item for the agricultural census and in order to keep the record straight, I think I should place in the RECORD the pertinent portion of the basic law that would have controlled the appropriation that was attempted to be inserted by the so-called Tarver amendment. The Tarver amendment proposed an additional appropriation of $5,500,000 for the census of agriculture, including objects specified under this act in the Department of Commerce Appropriation Act of 1945. The gentleman from Missouri [Mr. CANNON] in his comment on the newspaper paragraph which I read said that the gentleman from South Dakota [Mr. CASE] could not show any law which would permit the employment of census takers on a political basis. I call the gentleman's attention for the record, to the paragraph on the census of agriculture in the Department of Commerce Appropriation Act for 1945, which I hold here and which reads as follows:

Census of agriculture: For all expenses necessary for preparing, for taking, compiling, and publishing a quintennial census of agriculture of the United States, including the employment by the Director at rates to be fixed by him of personnel at the seat of the Government and elsewhere, without regard to the civil-service classification law.

In other words, Mr. Chairman, the basic law of the Department of Commerce appropriation bill for 1945, which was cited in the Tarver amendment, specifically provides that the Director has the power of employment of personnel at the seat of Government and elsewhere without regard to the civil service and classification law. In other words, he had complete freedom to exercise whatever political and personal preferences he desired.

I yield back the remainder of my time.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

FACTS WITH REFERENCE TO THE ALLEGED CIGARETTE AND LEAF-TOBACCO SHORTAGE

Mr. FLANNAGAN. Mr. Chairman, on November 28, 1944, I called the House Committee on Agriculture together for the purpose of refuting the propaganda that was being circulated to the effect that the cigarette shortage was due to a shortage in cigarette leaf tobacco. I wanted to develop the facts by witnesses in position to speak so the public would know, once and for all, that the shortage in cigarettes does not stem back to a shortage of cigarette leaf tobacco.

The tobacco program has, in my opinion, been the most successful farm program ever inaugurated in this country. It has simply wrought miracles by holding production and consumption in line and setting up a marketing system that enables the grower to know the grades of tobacco he has to offer for sale and furnishing him, during the marketing season, with daily information as to what prices the respective grades are bringing upon the other tobacco markets. Under the program tobacco prices have gone up, and have now reached a point where the grower is making a reasonable profit for his long, arduous, and expensive effort in producing a crop of tobacco. I do not want to see anything happen that would discredit or break the system down.

Since the program was first inaugurated, from time to time, it seems, studied efforts have been made to destroy the program by increasing production to the point that a surplus would be produced to hammer the price down. Before the program was inaugurated, it was the surplus that determined prices, and everyone knows that a surplus-determined price is always a ruinous price. Recently there has been circulated numerous false and misleading statements with reference to our stocks on hand of cigarette leaf tobacco. Most, if not all, of these statements attribute the cigarette shortage to a shortage in leaf tobacco, and call either for a ruinous increase in production or for the removal of all tobacco acreage allotments. The hearing on the 28th clearly established the facts that the administration of the tobacco program is in safe hands and that the cigarette shortage is not due to a shortage in cigarette leaf tobacco.

Let me give you the facts.

1. AS TO SUPPLY OF LEAF TOBACCO

The principal types of tobacco used in cigarettes are flue-cured and burley. As of July 1, 1944, we had stocks of these two types of tobacco on hand equivalent to the cigarette needs, plus smoking and chewing tobacco needs, for 1½ years. Add to these stocks on hand the poundage of the 1945 crops of these two types of 1,551,000,000 pounds and we have on hand a total supply of these two types of cigarette tobacco equivalent to the cigarette needs, plus smoking and chewing tobacco needs, for 2⅔ years.

In order to show the true picture of these two types of tobacco, I have, with the assistance of those in charge of the tobacco program of the Department of Agriculture, prepared three tables that give the facts. Table No. 1 relates to flue-cured tobacco and gives the record on production, stocks on hand as of July 1 of each year, total supply, and disappearance—domestic and export—for the years 1940 to 1944, inclusive, and also the average production, stocks on hand, total supply, and disappearance—domestic and export—for the years 1935–39. Table No. 2 gives the same information with respect to burley tobacco. Table No. 3 is a combination of tables Nos. 1 and 2 and shows the 5-year average of both burley and flue-cured tobacco for the periods 1934–38 and 1939–43. This table also gives the flue-cured and burley totals for the year 1944.

CIGARETTE TOBACCO SITUATION

[Farm-sales-weight equivalent]

TABLE 1.—*Flue-cured tobacco: Domestic supplies, and disappearances, average 1935–39, annual 1940–44*

[Millions of pounds]

Year	Production	Stocks, July 1	Total supply	Disappearance, including domestic consumption and exports, year beginning July	Domestic consumption	Exports
Average 1935–39	863.6	881.6	1,745.2	732.2	355.7	376.5
1940	759.9	1,409.7	2,169.6	576.7	416.7	160.0
1941	649.5	1,592.9	2,242.4	783.0	492.9	290.1
1942	811.7	1,459.5	2,271.2	877.0	585.0	292.0
1943	788.5	1,378.8	2,167.3	979.7	650.0	329.7
1944	[1] 1,062.5	1,187.6	[1] 2,250.1	[1] 1,025.0	[1] 675.0	[1] 350.0

[1] Estimate.

TABLE 2.—*Burley tobacco: Domestic supplies and domestic disappearance, average 1935–39, annual 1940–44*

Year	Production	Stocks, Oct. 1	Total supply	Disappearance, including domestic consumption and exports, year beginning October	Domestic consumption	Exports
Average 1935-39	315.9	673.6	989.5	317.5	305.5	12.0
1940	375.3	762.3	1,137.6	339.5	334.0	5.5
1941	336.8	798.1	1,134.9	379.6	373.2	6.4
1942	343.5	755.3	1,098.8	412.8	407.0	5.8
1943	390.0	686.0	1,076.0	424.9	416.9	8.0
1944	[1]488.5	651.1	[1]1,139.6	[1]435.0	[1]427.0	[1]8.0

TABLE 3.—*Flue-cured and burley tobacco: Domestic supplies and disappearance, average 1934–38, 1939–43, and 1944*

Year	Production	Stocks	Total supply	Disappearance	Domestic consumption	Exports
Average 1934-38	1,024.6	1,545.7	2,570.3	1,015.2	634.4	380.8
Average 1939-43	1,204.3	2,094.5	3,298.9	1,163.9	876.4	287.5
1944	[1]1,551.0	1,838.7	[1]3,389.7	[1]1,460.0	[1]1,102.0	[1]358.0

[1] Estimate.

Using farm weight, there are about 2.85 pounds of flue-cured and Burley tobacco in each 1,000 cigarettes and 0.30 of a pound of Maryland and Turkish tobacco. Hence, the 308,000,000,000 cigarettes manufactured in 1943 required 877,800,000 pounds of flue-cured and Burley tobacco and the 329,000,000,000 manufactured in 1944, 937,650,000 pounds. The tables just cited show that in 1943 domestic consumption of flue-cured tobacco amounted to 650,000,000 pounds and of burley tobacco 416,900,000 pounds, making a total of 1,067,000,000. The difference between the 1943 cigarette requirements and domestic consumption, namely, 189,200,000 pounds, went into smoking and chewing tobacco. In 1944, the difference between domestic consumption and cigarette requirements is estimated to be 164,350,000 pounds, which is an ample poundage to take care of smoking and chewing tobacco needs. The 1945 cigarette tobacco requirements will be very little, if any, larger than the 1944 requirements.

2. AS TO THE PRODUCTION OF CIGARETTES

The production record of American cigarettes from 1935 to the present is as follows:

Year and production:

1935	140,000,000,000
1936	158,900,000,000
1937	170,000,000,000
1938	171,700,000,000
1939	180,700,000,000
1940	198,400,000,000
1941	217,900,000,000
1942	257,500,000,000
1943	308,800,000,000
1944	329,000,000,000

Overseas shipments of cigarettes to the armed forces since 1941 have been as follows:

Year and number shipped:

1941	11,000,000,000
1942	27,100,000,000
1943	51,100,000,000
1944	91,800,000,000

3. AS TO 1945 FLUE-CURED AND BURLEY PRODUCTION

The War Food Administrator has just announced the production goals for 1945. His aim is to increase the harvested acreage of flue-cured and burley tobacco 3 percent. In order to do this in compliance with the Tobacco Act providing for an acreage equal to not more than 2 percent of the 1940 allotted acreage for adjusting inequalities among old growers, and an acreage equal to not more than 5 percent of the preceding year—1944—for allotment to new growers, the War Food Administrator has given the old growers an increase of 2 percent of the 1940 allotted acreage of 1,035,700 acres, which amounts to 20,700 acres, to be used in adjusting inequitable allotments, and new growers an increase of 5 percent of the 1944 allotted acreage of 1,683,400, which amounts to 84,150 acres, to be allotted by the county committees to new growers, based on the qualifications of farmers who want to plant tobacco in 1945 for the first time. Of course, if all of the percentage increase is used by old and new growers, there will be more than a 3-percent increase over the 1944 harvested acreage. However, war experience clearly shows that the harvested acreage does not come up to the allotted acreage. For instance, in 1944 the allotted acreage of flue-cured tobacco was 1,095,200 acres, while the harvested acreage was 989,300 acres, or a shortage of 105,900 acres. In burley the 1944 allotted acreage was 588,200, while the harvested acreage was 469,500, or a shortage of 118,700 acres.

The allotted and harvested acreages of flue-cured and burley tobaccos since 1940 are as follows:

FLUE-CURED

Year	Allotted acreage	Harvested acreage	Shortage
	Acres	*Acres*	*Acres*
1940	760,600	741,000	19,000
1941	762,100	717,600	44,500
1942	841,200	792,700	48,500
1943	901,200	844,800	56,400
1944	1,095,200	989,300	105,900

BURLEY

1940	375,100	360,200	14,900
1941	380,700	341,100	39,600
1942	383,000	350,200	32,800
1943	470,600	394,700	75,900
1944	588,200	469,500	118,700

4. EXPORTS OF TOBACCO

In order for the public to have a true picture of our exports of flue-cured and burley tobacco before the war, I cite the following figures:

	Flue-cured	Burley	Total
1935	377.4	10.1	387.4
1936	357.6	12.7	370.3
1937	426.0	12.6	438.6
1938	426.7	12.7	439.4
1939	294.9	11.4	306.3

With respect to exports of these two types of tobacco since the war, I cite the following figures:

	Flue-cured	Burley	Total
1940	160.0	5.5	165.5
1941	290.1	6.4	296.5
1942	292.0	5.8	297.8
1943	329.7	8.0	337.7
1944	350.0	8.0	358.0

In order for the public to have a true picture of the Government's activity in buying and exporting tobacco under lend-lease, I cite the following figures:

[Million pounds, farm weight]

Marketing year beginning July 1—	Total quantity purchased for export by the Commodity Credit Corporation	Total quantity exported, including lend-lease	Quantity exported through lend-lease	Quantity exported for cash other than through lend-lease
1939-40	174.0			
1940-41	205.0	[1]291.7	[1]271.9	19.8
1941-42	120.0			
1942-43	249.4	267.3	201.5	65.8
1943-44	271.6	304.2	113.3	190.9
1944-45	[2]324.0	[2]126.9	[3]46.8	80.1

[1] Cumulative total for 1940-41 and 1941-42.
[2] Allocated for purchase from 1944 crop.
[3] For 4 months, July through October 1944.

NOTE.—Lend-lease shipments were authorized in March 1941. Prior to March 1941 small quantities were released for export by Commodity Credit Corporation through cash sale to exporting dealers. Beginning in May 1943, slightly less than two-thirds of releases for export have been paid for in cash.

5. SOME OTHER PERTINENT FACTS

First. The tobacco program only applies to flue-cured and burley tobacco, which are the principal cigarette types of tobacco. It does not now and never has applied to the cigar types of tobacco and yet there is a cigar shortage. Certainly the cigar shortage cannot be attributed to the control program. It is a little strange, to say the least, that these propagandists that attribute the cigarette shortage to the tobacco-control program are as silent as the tomb when it comes to the cigar shortage.

Second. Consumption of smoking and chewing tobacco has decreased about 20 percent during recent years. This decrease amounts to some thirty or thirty-five million pounds each year. Smoking and chewing tobacco comes from the flue-cured and burley types of tobacco; hence this decrease in smoking tobacco has made available to the cigarette manufacturer an additional thirty or thirty-five million pounds per year.

Third. No doubt the cigarette manufacturers would like to have a larger

supply on hand. It is natural that they should. We must remember, however, that we are at war, times are not normal, and we cannot just now satisfy all of our likes and dislikes.

Fourth. We must also remember that when overseas shipments are cut off that our domestic consumption will not take up the slack. Of course, all interested in the growing of cigarette tobacco want to see the American cigarette manufacturers increase their foreign sales of American cigarettes. To this end the growers will cooperate in every way possible.

Fifth. Our tobacco program, which only applies to flue-cured and burley tobacco, has not only worked in times of peace, it has stood up under war conditions and is still working.

Sixth. The growers are satisfied with the program and are deeply interested in seeing that nothing is done to break it down. In the summer and fall of 1943 the tobacco program was last submitted to the flue-cured and burley growers for approval and was approved for a 3-year period by a vote exceeding 90 percent of the total vote cast. And, so far as I know, none of the large manufacturers of cigarettes are asking that the tobacco program be changed in any respect.

In concluding let me apologize to the membership of the House for the length of my statement. I have gone into detail in order to fully answer the many false and misleading statements that are being circulated in an effort, I am afraid, to destroy the tobacco program. The tobacco program means so much to the flue-cured and burley growers that I felt justified in going into detail so the public would have not only a true but a complete statement of the facts.

I know that the flue-cured and burley representatives in the House will see that the program is protected.

The Clerk read as follows:

INCREASE AND REPLACEMENT OF NAVAL VESSELS

Armor, armament, and ammunition: The Secretary of the Navy is authorized, in addition to appropriations hitherto made and contract authorizations provided for such purpose, to enter into contracts for tools, equipment, and facilities in, and land for, public and private plants for the manufacture or production of ordnance materials, munitions, and equipment, in an amount not exceeding $10,000,000, as authorized by Public Law 311, approved May 26, 1944.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: On page 34, lines 5 and 6, strike out "$10,000,000" down to the period at the end of line 6, and insert in lieu thereof the following: "$60,000,000."

Mr. VINSON of Georgia. Mr. Chairman, in accordance with the suggestion set forth in the very fine report of the Appropriations Committee, I am offering an amendment to increase this ordnance item from $10,000,000 to $60,000,000. In Public Law 311, Seventy-eighth Congress, $65,000,000 were made available for the Bureau of Ordnance. The $10,000,000 referred to in this item on page 34 is the remainder of that authorization of $65,000,000.

Mr. Chairman, on November 27 this year the Senate passed Senate bill 2194 authorizing an additional amount for the Bureau of Ordnance in the sum of $50,000,000 for necessary tools, equipment, and facilities for the manufacture or production of ordnance materials, munitions, and equipment, in either private or public plants. The House Naval Affairs Committee has likewise unanimously reported the Senate bill making in order an authorization for an additional $50,000,000.

The Rules Committee has granted a rule which is now pending on the Speaker's desk, making in order for the consideration of the House, Senate bill 2194. This is a very urgent and important item and it is necessary that the money become available at the earliest possible date. Next week the House will have before it the authorization bill. However, as we want to keep the matter straight we desire an authorization, but while the supplemental appropriation bill H. R. 5587 is before the House, following the suggestion of the Appropriations Committee, I am offering the pending amendment.

Mr. SHEPPARD. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from California.

Mr. SHEPPARD. The gentleman's request for additional funds is to cover to a large degree a brand new development in munitions; is it not?

Mr. VINSON of Georgia. That is correct, and may I say, without divulging any secret, that a large portion of this money will probably be used in connection with rockets.

Mr. CANNON of Missouri. Mr. Chairman, the Committee on Appropriations is in complete agreement with the gentleman from Georgia and the very efficient Committee on Naval Affairs, of which he is chairman, in reference to this proposition. We would have included this item in the bill originally at $60,000,000, but, unfortunately, at that time there was no authorization. Since that time the Committee on Naval Affairs has reported an authorization for that amount, and we are therefore glad to accept the amendment and to include the full amount of $60,000,000 in lieu of the ten million proposed.

May I take advantage, Mr. Chairman, of this opportunity to express the appreciation in which I am certain I am joined by all Members of the Congress and the American people in general, of the great service the gentleman from Georgia [Mr. VINSON] has rendered the country in the development of the United States Navy. He has served perhaps longer as a committee chairman than has any other Member of the House. When his predecessor, Hon. Thomas S. Butler, of Pennsylvania, popularly known as Uncle Tom, was chairman and the gentleman from Georgia [Mr. VINSON], a fledgling Congressman just arrived from Georgia, was placed on his committee, the great Pennsylvanian said, "I am glad to have this young fellow from Georgia on my committee. He is an up-and-coming fellow, and he is a little Navy man."

Evidently the gentleman must have been sailing under false colors, or he has materially changed his mind in the intervening years, for under his administration as chairman of the great Committee on Naval Affairs we have projected, built, and commissioned the greatest navy the world has ever seen, and America today rules the waves as the greatest sea power in all the annals of time. Too much cannot be said in appreciation of the dramatic role which the gentleman from Georgia has played in the expansion of the little Navy of a few decades ago to the very efficient status of the American Navy today. And when the history of this epoch-making war is finally written, no name will stand higher on the list of those able and patriotic men who have made victory possible than the name of the alert and far-sighted chairman of this vital committee, the gentleman from Georgia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

The Clerk read as follows:

GENERAL PROVISION

For the fiscal year 1945 and prior years occupancy of emergency housing facilities under the jurisdiction of the Navy Department or the National Housing Agency, on a rental basis, by personnel of the services mentioned in the title of the Pay Readjustment Act of 1942, or by their dependents, shall not deprive such personnel of money allowances for rental of quarters.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, today is the third anniversary of our entrance into this war. Twice, within a generation, nations which subscribe to the belief that might makes right have underestimated the American people. Both the Kaiser and Hitler—and Hitler's satellite, Hirohito—have fallen for the fallacy that Americans were a soft and decadent people who would surrender at the first show of force. Hitler, indeed, said that we were so weak that we would collapse from within—and that the Germans would merely be required to occupy the country.

This is an interesting matter upon which to speculate on the day after the third anniversary of the sneak attack upon Pearl Harbor. The matter came rather unexpectedly to my mind when I read a War Department press release on my desk the other day. And the release said that there were now 359,247 prisoners of war within the continental limits of the United States. I turned then to General Marshall's 1943 report on the Army and discovered that on July 1, 1939, the United States Army had only 174,000 men. It is a little odd—if I may be guilty of understatement—to realize that in 3 years our decadent Nation accumulated twice as many prisoners of war as we had men in our entire Army 5 years ago.

Hitler is probably not too jubilant when he realizes that of this vast number of prisoners here in the United States, exactly 305,247 are his own supposed supermen. We shall have many more before long.

There has been a great deal of discussion, during the past 48 hours, of the stupendous achievement of America in transforming herself from a peace-loving Nation—which we still are—to the most powerful military force in war the world has ever known. But before we glance at that picture, I think it is only just to point out that, first and foremost, our war machine is made up of more than 11,000,000 men and women who, a very short while ago, were shoe salesmen, garage mechanics, school teachers, soda fountain technicians—and representatives of a hundred unmilitary vocations—who have been transformed into the finest fighting men the world has ever known.

We, who remained at home; we military superannuates; we draft deferred—we were the very people who wondered, out loud, because of the boasting before the war of the totalitarian braggarts if it were not true that the modern generation had "gone soft." This generation of youths has lived up to the highest and the finest traditions of any past generation of American youth. We can properly pay them tribute with justifiable pride.

All of us will agree, I am certain, that the emphasis for the military achievements of this Nation belongs first to the fighting men on the battlefields, on the seas, in the air, and under the seas. Our fighting men have done what the Germans and Japanese called the impossible. We here at home—it is only fair to say—have also taken the impossible in our stride. We can take time out only briefly to speculate on the home-front achievements because the war in Europe and in Asia will consume all our energies for many months to come.

But it is true that we boosted our production of munitions from practically zero in 1939 to nearly $50,000,000 a month in 1940; to $1,000,000,000 in 1941; to $4,000,000,000 in 1942; to $5,000,000,000 in 1943; to more than $5,000,000,000 in 1944 although it is leveling off.

Three years ago, most of our fleet was out of action because of Japanese treachery. Today we have the largest Navy the world has ever known.

Three years ago we had exactly 1,157 airplanes suitable for combat. Today we have the largest air fleet the world has ever known—187,000 planes.

Three years ago we had fewer than 1,200 tanks. Since that time we have made 68 000 tanks. We have also made 2,800,000 big and medium guns; 15,000,000 machine guns and rifles; 43,000,000,000 rounds of ammunition; 43,400,000 bombs; 196,000,000 uniforms; 1,800,000 trucks; 98,000,000 pair of shoes.

In brief, we have taken the impossible in stride.

The Germans said we were too interested in our chromium-plated motorcars, in our soft-upholstered furniture, in our wonderful plumbing—ever to be able to snap out of the "expected lethargy" and do a day's fighting, or to engage in all-out warfare. Well, we are still interested in returning to these "softening influences" of our civilization. We are more interested in crushing our enemies as quickly as possible—under terms of unconditional surrender.

To do that we still must accomplish a few more impossible things. We have done so many things so well that we now find it necessary to point out to our countrymen that the jobs which still lie ahead are difficult. We have become accustomed to crises. Every step in the upsweep of production has been dogged by crises. We would lick one problem—and meet another. The expansion of a facility in one place would cause a bottleneck in another place. As soon as machine tools were installed we discovered that they began chewing up more metal than we could produce. So we had to install more capacity for metals. Once we got materials pouring out of our mills, we ran into component problems. Once we solved one component problem, we ran into another on a higher level. If it was not a bearing, it was a valve or a fractional horsepower motor, or a Diesel engine, or a crankshaft. The history of our war production is the history of bottlenecks which we have conquered.

We went about conquering these bottlenecks in the only way they can be broken. We slugged. We poured in materials, machinery, components, manpower, and, above all, imagination and know-how. We built facilities, provided materials, chewed up metals. We did it with General Sherman tanks, destroyer escort vessels, steel plate, aluminum forgings and extrusions, landing craft, Liberty ships, high-octane gasoline, rubber, alloy steel, ground radar, P-38 Lightnings, P-47 Thunderbolts, Flying Fortresses, and Liberators. All these had their day as supercritical must-must items. All these were filled with impossible problems. All these problems were conquered.

Today—the day after the third anniversary of Pearl Harbor—with many grim months of war still ahead, with millions of Americans on the battlefields and on the seas, we have other critical problems. And today we ought to focus our attention on the things we know we still must do to win this war.

Today, we need heavy artillery ammunition, combat loaders, Superfortresses, A-26 Invaders, communication wire, trucks and equipment, ship repair and maintenance crews.

In 1942 and early 1943 we had too little of almost everything. Now we have enough of many weapons and some programs are even being cut back. In 1942 and 1943, the entire program was accelerating rapidly but goals were high and lags behing schedule were large. Indeed, more items missed schedule than were on schedule. Not so now. Today, about 60 percent of production is just about on schedule and only about 40 percent is lagging. But, of that 40 percent, a large part is in the critical programs—the programs in which the climb is especially steep, the programs in which no amount of production for the time being could be enough.

However, there is this difference between critical programs today and the critical programs of 1942. Then, the shortages were in relation to plans for equipping armed forces not yet in battle. Today, the shortages are the result of actual combat operations. Critical production is not going into pipe lines or strategic reserve. It is going directly into battle. When we do not deliver tents or tanks or high-capacity ammunition, it affects soldiers and sailors who are face to face with the enemy, as well as our plans for continuing battle.

We are an adaptable people. That is why we can do impossible things. When our field commanders learn that a 105-mm. howitzer or gun is not powerful enough to destroy German fortifications, they demand 115's and 240's. When we move millions of tons of supplies over rough terrain and discover that we have misjudged the hardiness of synthetic rubber, requirements jump. When scientists and inventors develop new types of radar or jet planes or high-altitude bombing instruments, we try as quickly as possible to translate those developments into battlefield equipment.

All this effort comes under the head of saving lives, of ending the war more speedily than would be possible without the introduction of new weapons, without the rapid rearrangement of production lines to triple, quadruple, and octuple production of these new items. The point is that once we run into the unexpected and prepare to meet it, requirements are unlimited. A nation at war, if it is to win the war, must always be upgrading its equipment; supplying heavy trucks instead of lighter ones; building combat loaders instead of ordinary cargo and transport ships, putting the pressure on for Superfortresses and Invaders instead of Fortresses and Bostons. Out of such upgrading, critical programs emerge; and since we want to upgrade as fast as possible, production can never come through fast enough. In a war, you never have a sufficiency of weapons until your enemy is defeated.

For the moment, therefore, we are confronted by critical problems which are impossible until we solve them, by which time they may be replaced by other impossible problems. I do not wish to give an impression, in making these comments, that there are serious shortages on the fighting fronts.

They have supplies on the firing lines right now. It is the future we must provide for. Our program is not lagging on all production, for even on the critical items many manufacturers are abreast of the schedules given to them. Moreover, some of the demands are so recent that industry could not be expected to reach the maximum schedules in the time that has elapsed.

I have mentioned generally the fields into which the critical items fall, but other items which could well be added—wire rope, silica gel—used as a desiccant for materials going to damp, tropical climates; anhydrous hydrofluoric acid, basic chemical in freon and aviation gasoline; mechanical fuel hose, insect screen cloth. No list, however, could possibly be complete because of the recurring changes.

Even after VE-day, when we will be fighting against only one nation, we will

have critical shortages. It is to be expected that new devices, new weapons will be developed; that the armed forces will want them. New tactics, new battlefields are almost certain to put a premium on certain types of weapons. When that happens, the demand, for the time being, will be unlimited. The Japanese campaign, that is to say, will bring forth an entirely new set of must programs.

Only recently, the Army has begun to reemphasize the use of 60-millimeter and 81-millimeter mortars, along with the necessary ammunition. They have been added to the critical list. The jet plane, if it is perfected, is certain to be in great demand. The same is true of other airplanes. The Army and Navy both have their secret projects, any one of which may yield another critical program in the months to come.

We on the home front expect the armed services to make demands for increased quantities of fighting material. We know that a break-through helps to bring the war to a quicker conclusion—even though in achieving it our fighting men are using ammunition in December which ordinarily might not have been used until April. We are glad to provide the extra effort needed to produce the replacement munitions.

Most certainly, despite the great problems which we inherit immediately, we expect the armed services to ask for new models or for improved designs of existing models of war equipment. And it is our duty to take care of facilities shortages immediately.

We can do all the impossible things expected of us, if we stay on the job until victory is won. Among civilian war workers, there are too many who have taken furloughs or believe their services are no longer needed.

Today, in specified areas and for specific industries, we need more than 300,000 war workers. These 300,000 employees are urgently needed to help to end the shortages which are holding up the armed forces. These workers must be found.

This is the time for grim determination—not overconfidence—to exist in the minds of our people.

This is the time to keep the wheels of production of weapons and munitions of war rolling and getting them to the front.

The dark days following Pearl Harbor are over, but final victory is not ours yet. It is within our grasp. It will come quicker with increased production on the home front and with grim determination to do our part.

Our boys in the service are on the March to Victory. Let us also do our part in helping them to make their March to Victory as quick and decisive as humanly possible.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

The gentleman from Massachusetts [Mr. McCORMACK] has just given us facts and figures bearing upon war production, the war effort, and the expenditure of war materials which is almost unbelievable and which we know depicts an accomplishment which could not have happened in any one or two countries elsewhere in this war-torn world.

No wonder that Churchill, with an eye on the whole world, now admits that, in 4 short years, the United States of America has become the most powerful military, naval, and production nation of the world.

Today we know, and so does Great Britain and her statesmen, that the Empire would have gone down to defeat had it not been for America's resources, her ingenuity, her workers, and the efforts which they made.

Stalin and his aides know that without our production lines he never would have been able to have successfully resisted Hitler's drive into his homeland.

Yes; management and labor on the farm and in the factories and mines, throughout industry, have accomplished a miracle of production, which the courage, the resourcefulness and the sacrifices of American boys have translated into resistance which not only stopped Hitler and Hirohito cold but, by victory after victory, has thrown them back time and again.

But all is not as it should be. A few moments ago, I noticed in today's issue of one of the Washington papers the comments of Peter Edson, who is by no means either a New Deal hater or a Roosevelt baiter, as so many of us who point out impending danger, offer constructive criticism, have been characterized.

Edson's article is captioned "Time to Get Mad," and I read you what he wrote:

All the columns of news dispatches you now read from the fronts and from Washington, all the editorials trying to interpret the shortages of ammunition, tires, trucks, guns, and even manpower are of the same tenor as 1940 and 1941.

The cumulative impact of the current production crisis reports is that this is a bigger national disgrace than Pearl Harbor 3 years ago. Trying to fix the blame for whatever it is that has happened on the home front may be as fruitless as trying to fix the blame for what happened at Honolulu on December 7, 1941, but isn't it about time that everybody in the United States, collectively, start getting mad?

Bonds have been bought by the billion. Production "E's" and "A's" and "M's" and probably ah's and oh's have been awarded by the convoy load to management for the swell job it has done. Labor with a capital L has alternately been kicked on the backside and patted itself on the back for the job it has done. The Army and Navy are bigger and better than any army or navy have ever been before.

Generals have been decorated, bureaus have been reorganized and bureaucrats have been busted. We're good—there's no denying it.

Yet from the reports of Generals Eisenhower and MacArthur to Somervell, we haven't begun to fight, and we can't until the home front passes not only more ammunition but a couple of production miracles as well.

What happened? It isn't enough to kiss this off as mere misfortune of war.

Why should there be billions of dollars worth of surpluses to dispose of when there are billions of dollars worth of shortages of critical items? Why millions of surplus, over-age dry-cell batteries when the dry-cell battery production program is behind schedule? Was that bad planning?

Why should supply ships have to ride at anchor unloaded? If a people is smart enough to plan in advance for "mulberry" unloading docks and build portable railroad bridges in England to replace those bombed in France, why haven't the same people enough genius to lick the supply problem to the Siegfried or Gothic lines?

Were civilian production chiefs and private businessmen too eager to plan too much reconversion too soon?

Was the Senate committee investigating the war effort a little bit off base when it criticized the Army for ordering too many trucks and tires—in view of the present shortages?

Were service chiefs wrong in ordering cutbacks?

Was Congress wrong in refusing to consider a National Service Act a year ago—in view of present manpower difficulties?

Was the White House laggard in demanding a substitute?

Were appropriations committees shortsighted when they refused the War Manpower Commission sufficient funds to reorganize the Employment Service and enforce their certificates of availability program to control job transfers?

Have labor leaders, now claiming so large a share in shaping national policies, been as smart as they claim to be in their opposition to stricter labor regulation?

You may blame everybody or anybody for this thing that has happened on the production front, but finding sacrificial goats to offer on the altars of national wrath will not remedy the situation. All you can do is recognize that it has happened; and then, isn't it every individual's responsibility?

All of the foregoing is quite true, but something can well be added, and it is this: The war has not been won. Secretary of War Patterson now warns us that 18-year-old boys may soon be sent to the fighting front. We are told now that the war will be long, the casualties severe.

We know now that it may be 2 or more years before Japan has been conquered, before Germany has been brought to her knees. We know now that not hundreds but hundreds of thousands of young Americans will die before this war is over.

Yes; not so long ago the President told us that thousands would die if the shortage of munitions of war, which both Eisenhower and Somervell warned us against, continued to exist. This story of a long war, of heavy casualties, is an altogether different song as to both words and tune than that which was given to the American people in the months preceding the November election.

Now that the election is over, now that it is no longer necessary, in order to win an election, for the administration to extend special favors to both management and labor, the President and his advisers should give us, or let Congress give us, a policy which will bring about the production which is necessary to bridge the gap between what we have and what we need.

Rationing is all right here in America, but rationing of the ammunition, the shells, the guns, and the planes, which costs the lives of American fighting men, has no place in this war.

Day after day, there is strike after strike holding up the production of the things the fighting men need, must have, to lessen the cost of the war as measured in lives on the battle front. It is no answer to say that the percentage of time

lost is small. The making of one single gun, of one shell, should not be delayed by any strike, by any labor dispute.

The administration asks for the taxpayers' money by the millions—yes; by the billions—of dollars, and Congress appropriates it. Then the administration, in days gone by, has used that money to pay an ever-increasing price for war materials, an ever-increasing wage for those who make them.

And the pity of it all is that the higher prices and the higher wages have in reality benefited no one, for, as wages went up, so, too, did the cost of living. Today the struggle to balance wages against the cost of living still continues and the cost of the war in dollars and cents to the American people week after week unnecessarily grows greater, and the cost of our folly will be paid by American young men who die because of it.

Let us have a stabilization of prices, not only for the things which must be bought and manufactured, but for the services which must be rendered, if we are to accomplish the utmost in production.

The war is being fought so far away that millions of us are not directly affected. We do not see its horrors; we do not understand the suffering; we do not realize the price that is being paid by young manhood.

Krug of the War Production Board may talk about the conscription of labor, but my constructive suggestion is that, now that election is over, now that the President is secure in his position for another 4 years, we do away with war profiteering, with high and excessive prices for war materials and that, if necessary, if men refuse to work in war production, to do a day's job, they be inducted, as I have before suggested, into the armed forces—not to be sent abroad, but to serve in the industry where they are now employed, with the same comparative pay as that given to those in active service.

If the high wages, the comforts of home, the association with friends and the dire need of those who are doing the fighting will not give us the production needed, then let those who fail or refuse to aid in bridging that gap which the generals have called to our attention be inducted into the service of their country. Let them be comfortably housed, adequately fed, but otherwise treated as are those who are drafted for military service.

If the young men of the country 18 years of age can be taken from their homes and their families, sent abroad to fight and die, there is no reason why we here at home cannot be compelled to produce.

The pro forma amendments were withdrawn.

The Clerk read as follows:

Office of Economic Stabilization: Not to exceed $1,275 of the appropriation "Salaries and expenses, Office of Economic Stabilization, 1945."

Mr. SHEPPARD. Mr. Chairman, I ask unanimous consent that the bill down to the bottom of page 54 be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SMITH of Ohio. Mr. Chairman, I object.

The Clerk concluded the reading of the bill.

Mr. GRANT of Alabama. Mr. Chairman, I ask unanimous consent to return to page 42 of the bill for the purpose of submitting an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. TABER. I reserve the right to object. What is the amendment?

Mr. GRANT of Alabama. This is an amendment suggested by the gentleman from New York [Mr. KEOGH] and about which I think he spoke to the gentleman from New York [Mr. TABER]. It is an amendment for the relief of Rev. James T. Denigan, in accordance with the bill passed by the Congress and signed by the President.

Mr. TABER. Very well.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GRANT of Alabama. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GRANT of Alabama: On page 42, after line 2, insert the following: "To pay the claim of Rev. James T. Denigan, of Long Island City, N. Y., in accordance with the authority and subject to the provisions of Private Law 356, approved July 1944, fiscal year 1945, $6,500."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 5587, the First Supplemental Appropriation Act, 1945, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE FOR MEMBERS TO EXTEND THEIR REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ESTABLISHMENT OF THE GRADE OF FLEET ADMIRAL OF THE UNITED STATES NAVY

Mr. SMITH of Virginia. Mr. Speaker, in the absence of the chairman of the Rules Committee, I call up House Resolution 671, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2019) to establish the grade of fleet admiral of the United States Navy, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order as a substitute amendment for the Senate bill the provisions contained in H. R. 5576. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, the chairman of the Committee on Military Affairs and the chairman of the Committee on Naval Affairs will explain these bills fully to the House. I have no request for time on the rule and if the gentleman from Michigan [Mr. MICHENER] is willing, I will move the previous question on the adoption of the rule.

Mr. MICHENER. Mr. Speaker, there has been no request for time on this side on the rule. Extensive hearings were held on Senate 2019 by the Rules Committee. It was considered that legislation along this line should not be enacted unless it provides for both the Army and the Navy. The rule provides for consideration of Senate Navy bill and the House military bill. Both legislative committees agree as to advisability of the procedure. The War Department and the Navy Department want this law. So far as I can learn there is no controversy. The rule should pass at once.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the rule.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2019) to establish the grade of fleet admiral of the United States Navy, and for other purposes.

The motion was agreed to.

According the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2019, with Mr. THOMAS of Texas in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with and that the bills S. 2019 and H. R. 5576 be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

S. 2019

An act to establish the grade of fleet admiral of the United States Navy, and for other purposes

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

H. R. 5576

A bill to establish the grade of fleet admiral of the United States Navy; to establish the grade of general of the Army; and for other purposes

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grade on the active list at any one time shall not exceed four.

SEC. 2. The grade of general of the Army is hereby established. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from officers of the Army who, at the time of such appointment, are serving in the grade of general officer in the Army. The number of officers holding the grade of general of the Army on active duty shall not exceed four. The officers appointed under the provisions of this section shall take rank above all other officers on the active list of or on active duty in the Army and shall be entitled to all rights, privileges, benefits, pay, and allowances provided by this act, notwithstanding any provisions of the act of February 23, 1929 (45 Stat. 1255), or any other law.

SEC. 3. Appointments under authority of this act shall be made without examination and shall continue in force, during such period as the President shall determine. The permanent or temporary status of officers of the active list of the Navy or of the Army appointed to a higher grade pursuant to section 1 or section 2 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with the laws relating to the Navy or the Army. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list or general of the Army as provided herein shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 4. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 5. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral or general of the Army by virtue of an appointment under the provisions of this act shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list or on active duty: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for an officer appointed pursuant to the provisions of this act: *Provided further*, That no officer of the naval or military service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral or general of the Army except as provided in this act.

SEC. 6. The officers appointed under the provisions of this act shall take rank among themselves while on active duty according to dates of appointment.

SEC. 7. Nothing in this act shall affect the provisions of the act of September 3, 1919 (41 Stat. 283; 10 U. S. C. 671a), or any other law relating to the office of general of the Armies of the United States.

SEC. 8. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

Mr. VINSON of Georgia. Mr. Chairman, this bill provides for the establishment of a new grade in the Navy, and the rule makes in order for the distinguished chairman of the Committee on Military Affairs to offer a substitute establishing a new grade of a similar character and rank in the Army.

May I call to your attention that under the law today the highest rank in the Navy is that of admiral. At the present time there are seven admirals in the Navy.

The next rank below that of admiral is vice admiral, and at the present time there are 29 vice admirals.

The next rank below vice admiral is rear admiral. For pay purposes the rear admirals are divided into the upper half and the lower half. The pay of a rear admiral, upper half, is $8,000 a year, plus $1,951 rental and subsistence allowance. The pay of a rear admiral, lower half, is $6,000, plus the rental and subsistence allowance of $1,951.

The pay and allowances of a vice admiral are the same as that of a rear admiral of the upper half, plus $500 personal cash allowance.

The pay and allowances of an admiral are the same as that of a rear admiral of the upper half, plus $2,200 personal cash allowance.

The purpose of the bill now under consideration is to create the rank of fleet admiral, which would be one grade higher than that of admiral. In accordance with the provisions of the bill the pay and allowances of a fleet admiral would be the same as that of a rear admiral of the upper half, plus $5,000 personal cash allowance. In other words, the total pay and allowances of a fleet admiral over that of an admiral would be $2,800 per year.

Under the language of the Senate bill and under the language of the proposed substitute to be offered by the gentleman from Kentucky [Mr. MAY] these grades are temporary for the duration of the war and only 6 months thereafter. The reason we make these ranks temporary is that after the war it will, no doubt, be necessary to reorganize the Army and the Navy and, therefore, we thought it wise to make this grade a temporary one at this time. This bill does not involve any increase in base pay.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. COLE of New York. Since this bill was considered by the committee, and was approved by the committee without serious protest, I have wondered what

reason there might be why a corresponding increase in rank should not be given to the Commandant of the Marine Corps, who, as I understand, is in direct command of more troops than any other general on active duty in the field.

Mr. VINSON of Georgia. I have introduced a bill, now pending before the committee, to create the permanent rank of lieutenant general for the Commandant of the Marine Corps. I am perfectly willing to give the Commandant of that corps the rank of general and will be glad to introduce a bill to that effect during the next Congress; of course, the rank of general is not as high as the one proposed in this bill but is next to it.

Mr. COLE of New York. I can assure the gentleman there will be no wrenches thrown into the works. I have just prepared an amendment to the gentleman's bill which accomplishes what we seem to be in agreement should be accomplished. If it is to be done at all, why not do it all at one time?

Mr. VINSON of Georgia. I urge you to let us do it for the Marine Corps in other legislation, because it is much preferred by the Marine Corps. After consultation with General Vandegrift, it was considered best that it go along in this other way.

Mr. COLE of New York. Then the gentleman advises us that he has discussed the subject with the Marine Corps?

Mr. VINSON of Georgia. I discussed the whole question with General Vandegrift and I have the benefit of his views on the matter.

Mr. COLE of New York. The Marine Corps does not care to be included in this bill at this time?

Mr. VINSON of Georgia. It does not. I ask the House to let us go along with the generals and admirals. I am going to advocate consideration for the Marine Corps at the proper time.

Mr. COLE of New York. When will the proper time be, as soon as possible next year?

Mr. VINSON of Georgia. If the House does not adjourn between now and Christmas, we may have an opportunity to consider it during that time. If it is not done between now and Christmas, it will probably be done early in the year during the next session.

Mr. COLE of New York. During the early part of the session?

Mr. VINSON of Georgia. Absolutely.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. What would be the comparable grade to the Army?

Mr. VINSON of Georgia. It is set out in the House bill that the gentleman from Kentucky [Mr. MAY] will offer that it will be known as the rank of general of the Army. Bear in mind that Congress has established for that great soldier, General Pershing, the rank of general of the Armies.

Mr. DIRKSEN. Plural?

Mr. VINSON of Georgia. Plural. This rank, corresponding to the fleet admiral, will be known as general of the Army.

Mr. DIRKSEN. Has that bill been reported?

Mr. VINSON of Georgia. The gentleman from Kentucky will offer it here today.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Kentucky.

Mr. MAY. In the substitute amendment which I shall offer at the proper time there is section 7, which protects against this matter affecting General Pershing's rank at all.

Mr. VINSON of Georgia. That is right. The House can understand that in the military force of the country as far as rank is concerned General Pershing has the highest rank. Fleet admiral for the Navy and general of the Army will be the next rank.

While I am going along and supporting the proposal to make this rank temporary, there is a great deal of justification for it and it may be wise to make it temporary. The strength and the size of the American Navy justify giving serious consideration, when the reorganization comes along, to making this rank and possibly another rank permanent ranks in the United States Navy.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield with pleasure.

Mr. ROWE. What is the contemplated number that can be appointed?

Mr. VINSON of Georgia. Under the bill as passed by the Senate, it proposes two for the Navy. We have discussed this matter and we proposed that there be four of this rank. I am frank to say that from the point of view of the Navy, in all probability, this rank will be given to Admiral King, Admiral Leahy, Admiral Nimitz, and Admiral Halsey. I might be so presumptuous as to say from my viewpoint, the men who deserve it are General Marshall, General Arnold, General Eisenhower, and General MacArthur.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. ANDREWS of New York. As a matter of fact, it is clearly this duty and business of the War Department only, and of the Navy Department only, to determine who shall be awarded this rank.

Mr. VINSON of Georgia. Exactly. Of course, I am merely guessing. I do not know whom the President will appoint. It is a matter entirely up to him. And the appointments must be confirmed by the Senate. Then when their time of retirement comes, and if the Senate concurs, they carry the rank when retired and are inactive.

Mr. Chairman, I reserve the balance of my time and yield to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, I wish to say that I am in favor of the pending legislation. In my opinion the additional rank which will be granted the naval and military leaders of our armed forces is most fitting and appropriate. I may even add that we have waited too long in conferring additional rank on our top-notch admirals and generals.

However, I do wish to bring to the attention of the House the fact that this bill does not provide additional rank for one branch of our armed forces and that is the United States Marine Corps. The leader of that fighting organization is today a lieutenant general, and in fact he only temporarily holds that rank.

From the moment the first Japanese bombs fell on Pearl Harbor the men of the Marine Corps began to fight back. Marines helped repulse the attack on that ill-fated day, and they, along with the Army and Navy, started the slow and often hard road back. They began the fight that was to continue without let-up day after day, month after month, with one aim in view—total defeat of the enemy in the Pacific. Within a few hours of the attack on Pearl Harbor, Wake Island, a virtually shelterless atoll, was attacked by the Japanese. The defense of this island was exclusively a marine engagement, one which will be recorded in the annals of history not only as the first all-marine action of World War No. 2 but for the gallantry and heroic defense of that island.

Marines were with MacArthur at Manila, Bataan, and Corregidor. Marines fighting on Bataan numbered about 1,500, approximately one-third of General MacArthur's Regular Army troops in that area. Their braveries and acts of heroism have brought high praise and a multitude of decorations and citations to this fighting group and those who were not killed in the fighting are today sick, hungry, and weary prisoners of the Japanese, surrendering only when Corregidor fell on May 6, 1942.

Marines manned the antiaircraft guns on the Navy's carriers in the Battle of the Coral Sea. Leathernecks manned the guns that beat off the Japanese attack on Dutch Harbor. During the 3-day battle of Midway, Japanese aircraft carriers, battleships, carriers, and destroyers were constantly attacked, sunk and damaged by Marine Corps aircraft in addition to the frequent air battles marines fought with the enemy's air forces. On August 17, 1942, another Marine Corps achievement in the Pacific was accomplished when a battalion of Marine raiders carried out a successful attack on the Japanese base on Makin Island in the Gilbert group. Landing in rubber boats from large submarines, this detachment occupied the island, destroyed the seaplane base, the radio, ammunition dumps, and annihilated the enemy defending forces.

In fact, I would like to recall to the Members of this House that the first offensive of our war with Japan was made by the marines when its famous First Division under the leadership of the present commandant of the Marine Corps, Lt. Gen. A. A. Vandegrift, on August 7, 1942, landed on Guadalcanal in the Solomon Islands. That struggle bore fruit by enabling the marines to explode the myth of Japanese invincibility by beating the enemy at their own game and on their own ground. Jungle warfare was perfected as a result of the varied experiences of these men. But, probably more important, the Solomons operation proved that commanders had learned to work together. To fight the various elements of a complex, modern

fighting force in coordination toward a single objective. There, in the tropical jungles, ground, air, and surface forces of the Army, Navy, Marine Corps, and Coast Guard all played their parts in the teamwork that brought about ultimate success.

Since those dark days more than 2 years ago the pace in the Pacific has increased. The men of the Marine Corps have spearheaded the majority of the amphibious operations. From Guadalcanal, the Marines seized Munda and Rendova Islands in the New Georgia group. They landed at Bougainville and from there their air forces helped smash Rabaul. Then the Marines spearheaded the drive into the Central Pacific assaulting and capturing Tarawa in 76 hours of the fiercest combat in their 168 years of history. Next came the Marshall Islands with the Marines taking Kwajalein and Roi. With bases in the Marshalls secure the Marines drove farther westward into the Marianas, capturing Saipan, Tinian, and Guam, and only recently assaulted and captured the strongly defended Palau Islands. It is from the Marianas that our B–29's today are bombing Tokyo.

The strength of the United States Marine Corps totals almost a half-million officers and men, combatant forces fighting on land, on the sea, and in the air. I remember when the naval forces with a third of this strength was headed by a four-star admiral, and the Chief of Staff of the Army, with only a quarter of a million men, wore four stars.

It is not my intention to offer an amendment to this legislation now under consideration. But I would like to say that I, and other Members of this House, plan separate legislation in the new Congress which will give the Commandant of the Marine Corps the rank of full general.

Mr. MAAS. Mr. Chairman, I yield myself 5 minutes which I shall not consume. This legislation is very essential. These higher ranks are needed just on the basis of the size of our Army and Navy and the required billets to be filled. We have the anomalous situation today of generals and admirals having a number of officers of the same rank under them as subordinates. We have today the largest Navy in the world, probably larger than all the other navies in the world put together, friend and foe alike. That organization requires as a bare minimum, four officers of the rank of fleet admiral and I hope in due time, they will give consideration also to creating the rank of admiral of the Navy, which the size of our Navy requires. From the point of view of good administration, and from the military standpoint as well, plus the fact that we are at a great disadvantage today when we are in combined operation with the navies of other nations, it is essential that we create appropriate higher ranks. Every other major power has this rank and it is embarrassing and sometimes involves practical military difficulties for us to be handicapped in not having the equal rank. I trust there will be no opposition to this legislation. I am sure there will not.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I am glad to yield.

Mr. COLE of New York. In view of the gentleman's fine record as a member of the Marine Corps, covering nearly a period of two decades, I should like to have the benefit of his views with regard to the suggestion that a corresponding increase be given to commanding officers of the Marine Corps.

Mr. MAAS. I certainly agree with the distinguished gentleman from New York [Mr. COLE]. I am sure the chairman of our committee agrees. I was glad to have his assurance that he will take up in separate legislation, and I assume he means at the earliest possible moment in the new Congress, consideration of making the Commandant of the Marine Corps a full general; which incidentally is not the same rank as is being provided in this bill for the Navy and the Army; I do not propose that. However, the Commandant of the Marine Corps is the only active commanding officer in the country of a military organization who is also administrative head of his own military organization. The Commandant of the Marine Corps commands the Marine Corps. The Chief of Staff of the Army does not command the Army. The Chief of Naval Operations does not command the fleet. However, the Commandant of the Marine Corps actually commands the Marine Corps. Today it is a force of nearly 500,000. It is the largest single military force under the military command of one man in the world.

I hope that immediate consideration in the new Congress will be given to that matter, because the Commandant of the Marine Corps, with an organization of the size he has, with its responsibility, should certainly have the rank of a full general, particularly in view of the fact that the topside of the Navy will now be a five-star rank, and the topside in the Army will be five-star. There will no longer be any justification for withholding the rank of full general from the Commandant of the Marine Corps. We have the assurance of the chairman of the committee that he will take that up at a very early time.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. VORYS of Ohio. The gentleman is a gallant officer and a distinguished statesman. Could he tell us whether there is any possibility of securing an agreement or a treaty amongst our allies so that they will not take steps to increase the rank of officers in smaller navies and armies, and again force us to enact further legislation?

Mr. MAAS. I do not think we will. Of course, we could reach such an agreement, if we had the willingness and desire to do it, or it would be very simple to attach an amendment to the lend-lease bill. But I do not believe it will be done. I think we will just have to take our chances on that.

Mr. Chairman, I have no further request for time, and urge the enactment of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I have no further request for time and I ask that the bill be read for amendment.

The Clerk read as follows:

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

Mr. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: Strike out all after the enacting clause of the bill S. 2019 and insert the following:

"That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grade on the active list at any one time shall not exceed four.

"SEC. 2. The grade of general of the Army is hereby established. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from officers of the Army who, at the time of such appointment, are serving in the grade of general officer in the Army. The number of officers holding the grade of general of the Army on active duty shall not exceed

four. The officers appointed under the provisions of this section shall take rank above all other officers on the active list of or on active duty in the Army and shall be entitled to all rights, privileges, benefits, pay, and allowances provided by this act, notwithstanding any provisions of the act of February 23, 1929 (45 Stat. 1255), or any other law.

"SEC. 3. Appointments under authority of this act shall be made without examination and shall continue in force, during such period as the President shall determine. The permanent or temporary status of officers of the active list of the Navy or of the Army appointed to a higher grade pursuant to section 1 or section 2 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with the laws relating to the Navy or the Army. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list or General of the Army as provided herein shall, upon the termination of such retirement, revert to the status held by him prior to such appointment, except as otherwise provided herein.

"SEC 4. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

"SEC. 5. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral or general of the Army by virtue of an appointment under the provisions of this act shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list or on active duty: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for an officer appointed pursuant to the provisions of this act: *Provided further*, That no officer of the naval or military service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral or general of the Army except as provided in this act.

"SEC. 6. The officers appointed under the provisions of this act shall take rank among themselves while on active duty according to dates of appointment.

"SEC. 7. Nothing in this act shall affect the provisions of the act of September 3, 1919 (41 Stat. 283; 10 U. S. C. 671a), or any other law relating to the office of general of the Armies of the United States.

"SEC. 8. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMAS of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2019, and pursuant to House Resolution 671, he reported the bill back to the House with an amendment, adopted in the Committee of the Whole.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. MAY. Mr. Speaker, I offer the following amendment to the title:

The Clerk read as follows:

Mr. MAY moves to amend the title of Senate 2019 to read as follows:

"A bill to establish the grade of fleet admiral of the United States Navy and to establish the grade of general of the Army, and for other purposes."

The amendment was agreed to.

ORDER OF BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House today, the Clerk be authorized to receive a message from the Senate on the bill H. R. 5564, and that the Speaker be authorized to sign the enrolled bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MICHENER. What is that bill?

Mr. McCORMACK. It is the bill freezing the security tax.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADDITIONAL ORDNANCE MANUFACTURING AND PRODUCTION FACILITIES

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2194) authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes, for immediate consideration.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SABATH. Mr. Speaker, what is the bill.

Mr. VINSON of Georgia. Mr. Speaker, I have asked unanimous consent to take from the Speaker's table a Senate bill for which the Rules Committee has already granted a rule, now pending on the Speaker's desk. The money carried in the bill has been inserted in the appropriation bill which passed a few moments ago; but to keep the record straight I feel it is necessary, notwithstanding the fact that the Appropriations Committee accepted the amendment to make the money immediately available, to get an authorization. This provides authorization of $50,000,000 for ordnance facilities.

Mr. MICHENER. This is the bill which the Rules Committee held hearings on and which the gentleman's committee reported favorably?

Mr. VINSON of Georgia. Yes.

Mr. MICHENER. The only difference would be, if unanimous consent is given the matter is disposed of at once; otherwise it would take more time.

Mr. VINSON of Georgia. The gentleman from Michigan is correct.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, $50,000,000 for necessary tools, equipment, and facilities for the manufacture or production of ordnance matériel, munitions, and equipment at either private or public plants.

SEC. 2. The authority herein granted shall include the authority to acquire lands at such locations as the Secretary of the Navy may deem best suited to the purpose, erect or extend buildings, acquire the necessary machinery and equipment, and in private establishments provide plant-protection installations, and shall be in addition to all authority heretofore granted for these purposes.

SEC. 3. The Secretary of the Navy from time to time, but not less frequently than every 60 days, shall transmit to the Congress a full report of all acquisitions of land, by lease or otherwise, effected under the authority of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 664 was laid on the table.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. SABATH. Mr. Speaker, I call up House Resolution 567, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. THOMAS of Texas. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 123]

Auchincloss	Grant, Ind.	O'Brien, N. Y.
Baldwin, N. Y.	Griffiths	Outland
Barry	Hagen	Face
Bates, Ky.	Harness, Ind.	Patman
Bates, Mass.	Hart	Pfeifer
Blackney	Hébert	Philbin
Bradley, Mich.	Heffernan	Ploeser
Brooks	Hendricks	Poulson
Brown, Ohio	Hinshaw	Pracht,
Brumbaugh	Horan	C. Frederick
Buck	Jackson	Price
Buckley	Jeffrey	Rabaut
Buffett	Johnson,	Ramspeck
Bulwinkle	Ward	Reece, Tenn.
Burgin	Judd	Rizley
Busbey	Kee	Robsion, Ky.
Byrne	Kefauver	Rooney
Cannon, Fla.	Kelley	Rowan
Capozzoli	Kennedy	Russell
Carson, Ohio	Keogh	Sasscer
Celler	Kilburn	Satterfield
Chenoweth	Kilday	Scanlon
Clark	Kleberg	Schiffler
Cooley	Klein	Scott
Costello	Knutson	Shafer
Courtney	Kunkel	Sheridan
Curley	LaFollette	Slaughter
Daughton, Va.	Lambertson	Smith, Maine
Davis	Lane	Smith, W. Va.
Delaney	Lea	Snyder
Dewey	Luce	Sparkman
Dickstein	McCord	Stefan
Dies	McCowen	Talbot
Dilweg	McGehee	Taylor
Disney	McGregor	Thomas, N. J.
Douglas	McLean	Tolan
Drewry	McMillen, Ill.	Treadway
Eaton	McMurray	Troutman
Elston, Ohio	McWilliams	Vursell
Fay	Magnuson	Ward
Fenton	Maloney	Weaver
Fisher	Mansfield, Mont	Weiss
Fitzpatrick	Marcantonio	Wene
Ford	Merritt	West
Fulmer	Miller, Nebr.	Whelchel, Ga.
Furlong	Miller, Pa.	White
Gale	Monkiewicz	Whitten
Gallagher	Morrison, N. C.	Wigglesworth
Gearhart	Mott	Winstead
Gerlach	Mruk	Wolfenden, Pa.
Gifford	Murphy	
Gorski	Newsome	

The SPEAKER. On this call 269 Members have answered to their names, a quorum.

Mr. McCORMACK. Mr. Speaker, I move to dispense with further proceedings, under the call.

The motion was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to change my special order for today until Tuesday next.

The SPEAKER. Is there objection?

There was no objection.

REEMPLOYMENT COMMITTEEMEN, SELECTIVE SERVICE SYSTEM

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent for present consideration of the bill (S. 1962) extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemploy committeemen of the Selective Service System, which I send to the desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That Public Law 47, Seventy-seventh Congress, approved May 5, 1941 (55 Stat. 150), as amended, be amended to read as follows:

"That nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to apply to any person because of his appointment under authority of the Selective Training and Service Act of 1940 or the Selective Service regulations made in pursuance thereof as a member of a local board, a board of appeal, an advisory board for registrants, as a State director, a Government appeal agent, a reemployment committeeman, or as an individual to conduct hearings on appeals of persons claiming exemption from combatant training and service because of conscientious objections as provided in section 5 (g) of the Selective Training and Service Act of 1940; or because of his appointment as a member of an alien enemy hearing board to assist the Attorney General in the execution of any proclamations heretofore or hereafter issued by the President under the authority of the Alien Enemy Act of 1798 as amended (U. S. C., title 50, secs. 21-24)."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Will the gentleman state what this is?

Mr. CRAVENS. Mr. Speaker, this bill reenacts certain provisions of law which have been in existence for the past 2 or 3 years with respect to volunteer and unpaid employees of the Selective Service System. The only change the bill makes with respect to existing law is to add another class of exempt unpaid volunteer employees, to include those so-called county committeemen who have been set up recently for the purpose of advising returned veterans as to their reemployment rights, and so forth.

Mr. MICHENER. And these committees are set up to give voluntary service to the Government. Lawyers are members of those committees and they are doing a patriotic duty, but are not to be prevented from prosecuting other claims connected with the Government.

Mr. CRAVENS. That is true.

Mr. MICHENER. And they receive no pay, but give their services voluntarily in aid of the returned veteran.

Mr. CRAVENS. That is correct.

Mr. MICHENER. I have no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on Monday next, after other special orders, the gentleman from Connecticut [Mr. COMPTON] may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent that on Wednesday next, after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, the gentleman from Illinois [Mr. DAY] may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. SABATH. Mr. Speaker, the rule just reported makes in order H. R. 2241, better known as the Jackson Hole National Monument or park bill.

This rule was granted, it appears to me, more because of friendship than on account of any merit to the bill as it was originally reported. The gentlemen appearing before the Committee on Rules, with their usual persuasive ability, have succeeded in obtaining favorable action. I commend the gentleman from Montana [Mr. O'CONNOR], who has most assidiously and diligently worked to obtain this rule notwithstanding that there is a minority report signed by 7 of the 15 or 16 members of the committee.

Mr. Speaker, the bill proposes to vacate an Executive order of the President which created this national park. There is a report here from the Secretary of the Interior to the effect that it would be unwise to adopt this bill, and after reading the letter of the Secretary, I personally feel that the bill has very little chance of ever becoming a law. There is opposition to the bill because it is believed that this land should be preserved for the people not only of that section of the country but for all the people of the United States.

I have aided in the passage of legislation creating many national parks and I will vote for any bill that will provide additional land for their enlargement or that will create new national parks as well as favoring the setting aside of lands for forestation and recreational purposes which the people may visit and enjoy during their vacations.

Mr. BREHM. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Ohio.

Mr. BREHM. The gentleman has been referring to this as a national park. Is it not a monument rather than a park?

Mr. SABATH. They call it a monument, but that is what it means. It is for park purposes anyway.

Mr. BREHM. There is a difference between a monument and a park?

Mr. SABATH. I know. All the parks are monuments to this country.

Mr. BREHM. But all monuments are not parks.

Mr. SABATH. No, unfortunately not, but there is no plan here to make many monuments or to place monuments, as we understand that term.

It may be well for the House to know that some years ago an outstanding American who was interested in preserving our parks and places of interest donated to the Government about 32,000 acres of the land having a value of $1,500,000 which is included in this monument, and the gentleman if he prefers may call it a monument rather than a park.

In view of this donation I feel we should avail ourselves of the gift and accept and preserve it for the future. The objection that I have heard to the Executive order is that it will deprive the

State of Wyoming of some taxes. The way I feel about public parks, I think it would be beneficial to this country, if they in Wyoming cannot pay the taxes, that the Government should assume and pay the taxes, if that is the only objection. Of course, there may be some farmers and cattle owners who have a lot of live stock and they may need this land for the herding of sheep and for grazing purposes and who may desire to continue to use the land free of charge.

However, I think that the bill is not really deserving of favorable consideration, but the Committee on Rules, again wishing to give the membership the right and the privilege to pass upon it, reported the rule. It provides for 2 hours' general debate. Thereupon it will be taken up under the 5-minute rule, giving those who desire the opportunity to offer amendments.

I will not take up any additional time. I will reserve, however, the balance of my time, and now yield the usual 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I understand there may be a fight on the rule, and, if that is the case, of course, I shall yield to Members who are interested in this bill to present the facts to the House.

The bill speaks for itself:

To abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest.

I do not propose to take the time of the House to discuss the merits or demerits of the proposal, but it has been before the House of Representatives on two different occasions and has been voted down. Nevertheless, Mr. Ickes, Secretary of the Interior, saw fit to get an Executive order in defiance of the Congress—and I believe in defiance of the Constitution—and had the President issue this Executive order taking into the Teton Park several hundred thousand acres under the camouflage of a national monument. Without discussing the merits of the bill, I propose for a few minutes to address myself to the fundamental proposition of restoring to the Congress its legislative powers and constitutional functions.

It seems to me that such an issue is far greater than the contents of the bill. The question is whether the Congress can be superseded as a legislative body by the Executive or by Mr. Ickes, when it has deliberately on two different occasions turned down similar legislation. It is a clear-cut question of the restoration of representative and constitutional government in the United States, the one thing the people back home are worried about, and rightly so.

If these facts are true, then I think it is incumbent upon all of us, regardless of the merits of the proposal and regardless of whether we are Republicans or Democrats, to support the prerogatives and the constitutional power of the Congress to legislate. That is the simple, clear-cut issue I want to leave with the Members on both sides in connection with this bill. If I am in error, then I hope some Member will clarify the situation. Later, of course, Members on this side will discuss the merits of the proposal and show in detail how the intent and purpose of the National Monument Act of 1906 has been violated by the Executive order.

Mr. Speaker, I ask unanimous consent to address the House out of order for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I had hoped to address the House for an hour this afternoon, but in view of the fact that if this rule is adopted which provides for 2 hours of general debate I doubt if I can do so until Monday; I want to read without extended comments at this time a resolution I am about to place in the hopper. It is a House resolution of inquiry, and it is fitting that it should be introduced on the third anniversary of our declaration of war against Japan. The request for the information is made in good faith by me as a Member of Congress who voted for war against Japan and has supported all measures for its successful prosecution:

Whereas Drew Pearson, in his column The Washington Merry-Go-Round, published in the Washington Post, on Thursday, December 7, 1944, stated: "There have been two basic reasons for the hush-hush secrecy and last week's whitewash of Kimmel and Short. One is the already admitted fact that several other officers in both the Army and Navy, including some really top-bracket men, were involved. The other is the clash of opinion inside the Cabinet in 1941 regarding the wisdom of sending the strong note to the Emperor of Japan proposing that Japan get out of all China, etc. Secretaries Knox and Stimson, however, felt that the United States was not prepared and that the note to the Emperor would bring war. They favored continued appeasement and went on record in writing to that effect"; and

Whereas this virtual ultimatum was sent to the Japanese Government or Emperor on November 26, 1941, without the consent or knowledge of Congress, which alone under the Constitution may declare war, and without the knowledge of 130,000,000 Americans; and

Whereas Drew Pearson has stated in the public press that Secretaries Knox and Stimson felt that the United States was not prepared and that the note to the Emperor would bring on war; and went on record in writing to this effect; and

Whereas Secretary of War Henry L. Stimson has not denied this this serious and astounding public charge, that he protested in writing the sending of the ultimatum of November 26, 1941, to Japan; and

Whereas the American people, after 3 years of war, are entitled to the facts regarding the causes and origin of the war: Therefore be it

Resolved, That the President of the United States be, and he is hereby, requested, if not incompatible with the public interest, to inform the House of Representatives if the Secretary of the Navy and the Secretary of War did submit in writing protests against the sending of the ultimatum to Japan on November 26, 1941, and stating that it would bring on war.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield 10 minutes to the gentleman from Wyoming, the author of the bill.

Mr. BARRETT. Mr. Speaker, the people of Wyoming are intensely interested in this bill. The Governor of my State, nearly every newspaper in my State, practically every civic association in the State, has endorsed this bill. The area of Wyoming is 62,000,000 acres. The United States owns outright over 32,000,000 acres, that is over 51 percent of the area of Wyoming. In addition to that, the United States owns the minerals under 18,000,000 acres of land, in which the people of Wyoming own only the surface. That is 30 percent of all the acreage in Wyoming. Consequently, the United States owns a substantial interest in 81 percent of all the acres in Wyoming. We are all in favor of national parks. We have several of them in our State. The Yellowstone National Park is the first national park in the Union and we are proud of it. It takes in 2,240,000 acres of land. The Park Service for more than 40 years has been trying to extend the Yellowstone National Park. They wanted to take the Grand Teton Mountains into Yellowstone National Park and they brought a bill before the Congress to do that, more than 25 years ago. They wanted to take 320,000 acres, including the Grand Teton Mountains, and include them in the Yellowstone National Park. They were unsuccessful. Then they submitted a bill to establish a separate park to be called the Grand Teton National Park. That park would take in these same 320,000 acres. This area is 6 miles from the south boundary of the Yellowstone to the north boundary of the proposed Grand Teton National Park. They had hearings. They sent a Presidential commission out to Wyoming in 1926 and 1927. The people of Wyoming were considered. They objected to putting all of the 320,000 acres into Grand Teton National Park but they were in favor of placing the mountains themselves and all the scenic beauty of the area into a national park. The Grand Tetons are majestic. There is no better mountain scenery in all the world, let alone in the United States, and so the people of Wyoming were interested in having them preserved for all the people for all time. Consequently, when the committee came out there and consulted the people of Wyoming, they agreed that the Grand Teton National Park would be established with an area of 98,000 acres which would take in the Grand Tetons and everything of beauty in that area. They objected to including the 221,000 acres immediately to the east of that mountain range, which is nothing but sage brush flats, hundreds of small farms and ranches, and Jackson Lake, which is a reservoir used by the Reclamation Service for an irrigation project in Idaho.

The committee therefore recommended adversely as to the 221,000 acres to the east of the Grand Tetons, but did recommend that the Grand Teton National

Park be established with 98,000 acres. Congress created Grand Teton National Park in 1929. At the time when they had hearings in Wyoming, Hon. John B. Kendrick represented our State in the United States Senate. He was a member of the committee that considered the matter. He was a great man. He told the people of Wyoming and he was quoted in the newspapers of Wyoming, and those papers are in the hearings before our committee to the effect that this was a complete settlement of the matter and that never again would they ask to have any more of that area included in a national park.

I want to call attention to the fact that in the Jackson Hole area we have over 2,000,000 acres in Yellowstone Park. We have over 6,000,000 acres in national forests.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I yield to my distinguished colleague from Michigan.

Mr. DONDERO. I think it would be helpful to the Members if the gentleman would just point out the area of the Grand Teton National Park, and the area attempted to be included in it.

Mr. BARRETT. I will be happy to do that. I will indicate on the map which is before you the area consisting of 98,000 acres which is included in Grand Teton National Park. That was established by act of Congress in 1929. The 221,000 acres now in the Jackson Hole National Monument which the Congress refused to put into the Teton National Park, is located to the east of the park as may be seen on this map as I have indicated.

The Congress in 1929 refused to put those 221,000 acres into the park because that area includes hundreds of small farms where the people have made their homes for more than 50 years and because it was not properly land to be included in a park.

In addition to that, we have over 6,000,000 acres of land in various forests surrounding this park, as I will indicate on the map. There is the Teton National Forest. There is the Washakie National Forest. There is the Targhee National Forest. There is the Shoshone National Forest. Six million acres in forest land in this particular area.

The committees of Congress had hearings, and in 1928 Congress decided not to put this 221,000 acres into the Grand Teton National Park. But Mr. Ickes was not satisfied. In 1938 he came back to Congress again with a proposal to put these same 221,000 acres into the Grand Teton National Park and again a committee from the Senate went out to the people of Wyoming. They held hearings there. They discussed the matter. The people were opposed to Mr. Ickes' proposal, and the Senate committee reported adversely and again decided not to put the land into the Teton National Park. So Mr. Ickes is not satisfied, and he decides to take the matter into his own hands.

Now, the Congress alone has the power to create a national park. Nobody but Congress can create a national park. So Mr. Ickes, in effect, said, "I do not care what the Congress decides. The Department has submitted this matter twice to the Congress of the United States, and they failed to put these 221,000 acres into a national park. I am going to take the law into my own hands. I do not care what the Congress does. I am going to get the job done, anyway."

So he accomplishes the same purpose by getting an Executive order putting those 221,000 acres into a national monument. Now, that is a subterfuge. The Jackson Hole National Monument adjoins the Grand Teton National Park on the east. To all intents and purposes it is nothing but park extension, but he knew he could not get Congress to extend Teton National Park to include these 221,000 acres, so he establishes a national monument in spite of the action of Congress. Now, he showed his utter disregard for the Congress of the United States. He usurped the power of the Congress, because to all intents and purposes, he has done by indirection the very thing he could not get done by legislative sanction. That is the fundamental question. How long will the Congress tolerate the effrontery of a bureaucracy that overrides its express will? How long will the Congress stand by and permit these bureaucrats to usurp its powers and functions? How long must the free people of the sovereign State of Wyoming submit to Federal encroachment upon its confines?

This was an unwarranted invasion of the rights of the great State of Wyoming. It was accomplished without notice of any kind to the people of my State. No notice was given of the proposed action to the Governor of Wyoming, either to our Senators or to myself, and the people of my State resent the wholly un-American manner in which this grab was put over on our people.

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. FISH. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I yield to my distinguished colleague from Ohio.

Mr. BREHM. Will the gentleman tell the Congress what exists in this proposed addition which stamps it as a monument?

Mr. BARRETT. The area included in this monument is not monument in character. It is not monument land. It could not be defined as a landmark, a structure, or an object within the meaning of the law. The law provides that a sufficient amount of land may be reserved to provide for the care and management of the object. There is no object within the area requiring care or management. The law provides that the smallest area compatible for the care and management of the object shall also be set aside. It certainly was not contemplated under the monument law that such vast areas of grazing and ranch lands should be set aside as an addition to a national park.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I will be delighted to yield to the gentleman from California.

Mr. PHILLIPS. There is another feature that the gentleman has not brought out and that is the idea of the creation of a national monument. It was never intended to cover this kind of a development. The national monuments were intended to cover small pieces of property or something of this kind that had some historical significance.

Mr. BARRETT. The gentleman is quite right. And there is not a single object of historical significance in this entire area.

Mr. BREHM. And is it not true that they discovered a log cabin here and tried to say that Jesse James at one time, while being pursued by a posse, had hid in that cabin and that this is of enough scientific interest to justify preserving 221,000 acres as a national monument?

Mr. BARRETT. We would have monuments all over the West if we attempted to make a monument wherever some horse thief was caught.

Mr. PHILLIPS. Will the gentleman say when the act to establish national monuments was created?

Mr. BARRETT. The Antiquity Act was passed by Congress in 1906. Under that act the President of the United States has the right to establish national monuments and may declare, in his discretion, by public proclamation, historic landmarks, historic and prehistoric structures, and other objects of historic and scientific interest situated on land owned or controlled by the Government.

The SPEAKER. The time of the gentleman from Wyoming has again expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I am happy to yield to my colleague.

Mr. WRIGHT. It is true that this is not a party matter, that Democrats and Republicans alike, including your Democratic Governor and one Democratic Senator and the Republican Senator, as well as an overwhelming majority of the people from the gentleman's State, are opposed to this national moument.

Mr. BARRETT. The gentleman is precisely right.

Mr. HALLECK. Mr. Speaker, I would like to state that the statement of the gentleman from Pennsylvania [Mr. WRIGHT] is entirely correct, and also that I have studied this matter. I approve of the gentleman's bill, and want to support it and will support it. My understanding of the situation is such that by no stretch of the imagination could the act of 1906, which undertook to provide for the preservation of American antiquities, and then went on to explain certain historic landmarks that might be preserved—by no stretch of the imagination could that act be stretched sufficiently to vest in the executive branch of the Government the right to create this monument without specific act of Congress.

Mr. BARRETT. That is correct. I might say that in the report on the Antiquities Act it stated:

In view of the fact that the historic and prehistoric ruins and monuments on the public lands of the United States are rapidly being destroyed by parties who are gathering them as relics and for the use of museums and colleges, etc., your committee are of the opinion that their preservation is of great importance.

It was stated in the hearings at the time that only small areas were to be put into national monuments, but it was never contemplated that they would put in areas like this that were not monumental in character. I would like now to show to the House some pictures of the area which will explain this situation. Here is a picture of the Grand Teton National Park. The area in that park of 98,000 acres includes everything of beauty in the area and it is protected and preserved at the present time, and there will be nothing done to interfere with that national park. Here is some of the land on the monument. Sagebrush flat. That sagebrush is as high as your hips. There are thousands upon thousands of acres of sagebrush flats in this monument that we are trying to set aside. There are farms and ranches like this raising thousands of cattle and supplying food for the people.

The SPEAKER. The time of the gentleman has expired.

INCREASE IN COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 673, Rept. No. 2047), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4715) to increase the compensation of employees in the Postal Service; that after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Post Office and Post Roads, the bill shall be read for amendment under the 5-minute rule; that at the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. FISH. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the economic considerations involved in the pending bill are to me of secondary importance. While it is important, of course, to any State that its revenues are diminished by action of the Federal Government in taking over large portions of its domain; while the inconvenience that often results from this same action are, of course, important, the principal issue involved is whether or not the Federal Government, through proclamation by the President, can dip into the solemn domain of a State and without what appears to be proper justification take over an area of 221,000 acres.

If the President, in pursuance of section 2 of the act of 1906, can take over 221,000 acres in Wyoming, then he can dip into the State of Illinois, where a few Indian mounds or a few arrowheads have been found to give color to the belief that such an area is of scientific and historic interest and for the same reason take over 221,000 acres.

By the same logic the President could dip into the State of Ohio or Indiana, Pennsylvania or New York, Kansas or Kentucky, and take over territory of undetermined size and divest it from the ownership of the State and the people. Such action appears to me to be singular indeed.

The Jackson Hole controversy is an excellent illustration of the persistency of bureaucracy in gaining its ends. It was in 1902, which is 42 years ago, that a first effort was made to extend the boundaries of Yellowstone to include the Jackson Hole area and it failed. An attempt to achieve the same objective was made in 1919 and it failed. A further attempt was made in 1925 and it failed. It was again attempted in 1929 and it failed. It was again tried in 1938 and it failed. All these failures resulted from the vigilance of the Congress and the refusal of Congress to follow the recommendations of the executive agencies of government.

But in 1943, 41 years after the first effort was made to obtain the 221,000 acres in Jackson Hole and bring it within the domain of the Federal Government, it remained for the Secretary of the Interior to prevail upon the President to issue a proclamation and to achieve by circumvention what the Congress has steadfastly refused to do for more than two generations.

Do we propose to be rolled back by the Secretary of the Interior or do we propose today in compliance with existing law to roll him back? How much was said on the hustings in recent months about States' rights. Were we uttering a lot of fine phrases or did we mean it? If we meant it, then today is a good time to stand up and be counted.

Mr. FISH. Mr. Speaker, I yield 6 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, when I first came to the House I would have been stunned to have read or to have known or to have learned of such a deal as was pulled off in my sister State of Wyoming right across the line from where I live, in the taking away of farm homes from people who have lived there for a half century. There is a fundamental principle involved: whether by indirection the Executive can do what he cannot do by direct action.

I was a member of a subcommittee that looked over the area set apart by Executive order which, as the gentleman from Wyoming [Mr. BARRETT] has so well said, the Congress had refused time and again to do, upon the theory that it would eventually become a part of the Yellowstone National Park. When I first came to the Congress I was amazed and astonished to find a gentleman from the State of Louisiana who was then chairman of the Committee on Public Lands, and who introduced a bill, unwittingly, of course, to enlarge the Yellowstone Park by taking a large part of an agricultural area up the Yellowstone River between the town where I live, Livingston, Mont., and the Yellowstone National Park.

We of the West have had to fight and fight and fight to keep from the constant enlarging of the Yellowstone Park, and those other parks, and from taking in more and more of our lands. Their greed for land and territory is beyond human conception. There is a principle involved here, and I am going to talk to the lawyers of the House about it. I want you to pay attention to this, if you will. This so-called setting aside of this monument was authorized, if at all, under section 2 of the law of 1906, and it cannot be read too often:

That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

The power of the President is intended by the Congress to be limited only to taking that part that is necessary to preserve the monument like, for instance, the monument created to Custer's Last Stand in my own State of Montana. But in that instance the President set a small area of land to protect the monument which is perhaps the most historic monument there is any place in the West. The President set aside a very small area to protect the monument against the encroachment by people who happened to come there and visit.

What are we trying to protect? There is not a single thing in that area of scientific value or of historic value; not a thing. I have been over it. It is a territory of farms and of land, and so forth.

I hope the Members of this House will vote for the rule, because I want to tell you some more about this bill before it is over with when the rule is adopted.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, 2 minutes is a very short time to discuss a matter of such magnitude as this.

My colleague the gentleman from Montana [Mr. O'CONNOR] called your attention to the lines in the original act on which the establishment of this monument was based from which I quote:

SEC. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic

landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided*, That when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

Who can contend that 221,610 acres must be set aside to control and take care of a monument? I call the attention of the House to the fact that practically all this land, that is, the land in national forest and the national park, is closed to settlement. It is owned by the Government on both sides. We have here a little island, a little oasis, where these old settlers have made their homes and built up a community.

The question before the House in the first place is, Shall the Congress and the people of the United States be the owners of the land, or shall these departments be the proprietors and the owners? That is the question with which we are faced—the question that every man from the West is faced with all the time. Instead of being the custodians of the land, to administer it for the good of the people, these bureaus assume they are the proprietors of the land. That is the thing we should curb. That is the reason this bill should be passed. Let these departments come to the Congress if they want a piece of land withdrawn. Let the matter be considered and opened up to hearings before the House. Let us pass this bill today and let the departments understand that they are the servants of the people, that they are the custodians of the land, and not the owners and proprietors of the land with the right to exclude the people from the use of the land.

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, the gentleman from New Jersey [Mr. WOLVERTON] and I have just returned from Chicago, where the International Civil Aviation Conference was held. I report to the House that the two Members of the House stayed there the entire time. It was a wonderful conference. You will find after reading the various documents that aviation has been advanced at least 25 or 30 years.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the address of Hon. Adolph A. Berle, chairman of the United States delegation, at the closing plenary session of the conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I believe the Members of the House, both Republicans and Democrats, are deeply interested in the development of American aviation. To the chairman of our Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce and to the Republican member of that committee, the gentleman from New Jersey [Mr. WOLVERTON], I think this House would like to express its deep appreciation of their splendid efforts at Chicago.

Mr. BULWINKLE. I thank the gentleman.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, in order that the Members of the House may have the history of the Executive order establishing the Jackson Hole Monument before them, I am taking the floor because this might be of import when the bill is under debate. I am not taking the floor in opposition to the adoption of the rule. I am going to vote against the bill.

On March 15, 1943, President Roosevelt established the Jackson Hole Monument by Executive order. This national monument was established under the authority of the act of June 8, 1906, known as the Antiquities Act, which authorized the President to reserve as national monuments Federal lands that are of historic or scientific interest. There is no question but that Jackson Hole is both. Even the majority report states that it is "one of the outstanding scenic attractions of the Nation."

Congress, by the act of June 25, 1916, created the National Park Service and further defined the purpose of national monuments by specifically stating that their purpose is—and this is an extension of the 1906 act—

> To conserve the scenery and national and historic objects and wildlife therein and to provide for the enjoyment of the same, in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Now, we hear the argument of usurpation of the powers of Congress by President Franklin D. Roosevelt. I have been hearing that for a number of years. But a lot of my friends on the left overlook the fact that we just have had an election and Franklin D. Roosevelt has been reelected for a fourth term with an increased Democratic membership in the House. That takes into consideration, also all the issues during the last campaign, of States' rights and everything else that was argued during the campaign. Now, it is argued that it is wrong for Franklin D. Roosevelt to issue an Executive order under this law. But let us see what other Presidents have done under the 1906 act, as amended, to the extent that it might be amended by the act of 1916. Every President since the passage of the Antiquities Act has established national monuments under that act. A total of 82 have thus been created.

President Theodore Roosevelt created 18 national monuments, totaling 1,534,329 acres.

It is an usurpation of the powers of Congress for Franklin D. Roosevelt to issue an Executive order, but it is not so for a Republican President.

President Taft created 10 national monuments, totaling 2,300 acres.

President Wilson created 13 national monuments, totaling 1,121,996 acres.

President Harding created 8 national monuments, totaling 8,937 acres.

President Coolidge created 13 national monuments, totaling 1,243,063 acres.

President Hoover created nine national monuments, totaling 2,147,640 acres.

Franklin D. Roosevelt to date, after about 12 years of service as President of the United States, has created 11 national parks totaling 1,494,767 acres.

In other words, there are two or three Presidents who have created more national monuments and acreage in national monuments than President Franklin D. Roosevelt, or about as much. Now, they decry the fact and condemn Franklin D. Roosevelt for issuing an Executive order by reason of the very law or under the authority of the very law that Presidents in the past have issued Executive orders, establishing national monuments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COX. Mr. Speaker, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, the Grand Canyon National Monument established by President Hoover, is contiguous to Grand Canyon National Park; and Zion National Monument, established by President Roosevelt is contiguous to Zion National Park. So that we have other similar situations of national monuments being contiguous to national parks. The argument presented here this afternoon, would leave the impression that the only one who has acted under the authority of the Antiquities Act is President Franklin D. Roosevelt when, as a matter of fact, every President since the passage of the Antiquities Act, has acted under its authority and some of the Presidents have issued Executive orders creating national parks covering a larger acreage than those established by Franklin D. Roosevelt. This bill should never have been brought up here today but it was forced to come up under the rules of the House, the rule having been out more than 7 legislative days. Furthermore, we are in these closing days of the session, considering a bill which everyone knows cannot become law.

I might also say that the legality of the establishment of the first Grand Canyon National Monument, which was nearly four times the size of Jackson Hole National Monument, was contested many years ago. The case went to the Supreme Court and that Court in the case of Cameron et al. against United States rendered its decision on April 19, 1920, as follows:

The defendants insist that the monument reserve should be disregarded on the ground that there was no authority for its creation. To this we cannot assent. The act under which the President proceeded empowered him to establish reserves embracing "objects of historic or scientific interest." The Grand Canyon, as stated in his proclamation "is an object of unusual scientific interest."

The President in setting up Jackson Hole National Monument has acted in the public interest and in accordance with procedure as authorized by Congress.

Mr. COX. Mr. Speaker, I yield to the gentleman from New Mexico [Mr. FERNANDEZ] 2 minutes.

Mr. FERNANDEZ. Mr. Speaker, I was attending a meeting of the Indian Affairs Committee when the debate first started and I do not know the arguments advanced by the gentleman from Wyoming [Mr. BARRETT] in supporting the rule to consider the bill at this time. Throughout the hearings in the Committee on Public Lands, however, it was charged that the President had exceeded his authority; that he was encroaching on the authority of the Congress. After the monument was created a suit was filed in Wyoming to test the authority of the President, to determine whether or not the President had exceeded his authority. Today, if we proceed to a consideration of this bill, we ourselves are encroaching on the authority of the judiciary. This bill can be passed next year, if necessary, when the courts have gotten through with it.

In my opinion, we should not proceed with the consideration of this bill until the courts have gotten through with it. In other words, before we try to pick the mote out of the President's eye we should look at the beam in our own eye.

The SPEAKER. The time of the gentleman from New Mexico has expired.

Mr. FISH. Mr. Speaker, I yield 2½ minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, my district borders the State of Wyoming and I know something about how the people over there feel.

Congress is not usurping anybody's prerogatives in proposing to consider this bill. The Congress is merely going to protect its right to declare what was the intent of Congress in passing the Antiquities Act.

The gentleman from Massachusetts [Mr. MCCORMACK] has a heavy load on him in taking the floor on this proposition today. The reelection of the President was not on this issue in the United States but it was an issue in the State of Wyoming. I was over there for about a week during the campaign. This year for the first time since Franklin D. Roosevelt has been a candidate for President, the State of Wyoming went Republican. Every other time it has voted for him. If there is any mandate from the State of Wyoming on this proposition it is to consider this bill and it is to pass the bill.

I have here a bound copy of the Reader's Digest for the year 1943. In the August number appears an article by JOSEPH O'MAHONEY, United States Senator from Wyoming. Let me quote him for the benefit of those on the majority side of the aisle.

Let him say what the issue is here:

Although national parks can be created only by an act of Congress, an old law provides that, without such an act, small areas of land owned or controlled by the United States may be set aside as national monuments for the preservation of historical landmarks. And so, last March, a flourish of the pen on an Executive proclamation did what Congress had refused to allow. Without notice to the ranchers, living in the area, to Wyoming or to Congress, an area half the size of Rhode Island was made into the Jackson Hole National Monument. The law invoked by the bureaucrats had been intended to apply solely to lands "owned or controlled by the United States" yet a sizable part of the area taken over in this high-handed fashion is privately owned.

Then the Senator went on to say that what happened there might have been of special local interest but it has a national concern because of the principle involved. If this can be done in Wyoming it can be done in any other State in the Union.

If this bill should not pass, if this Executive order should prevail, the name of that monument should be changed. It should be changed to "Jesse James National Monument," not for the cabin where Jesse James hid, but for the manner and action in which it was established.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. COX. Mr. Speaker, I yield the remainder of the time to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, I am in the embarrassing position of opposing a bill reported out of my own committee. Seven members of the committee joined in the minority report. I have gone into this matter thoroughly and have studied the whole situation. I have the kindliest feeling and warm personal friendship for the gentleman from Wyoming; I have tried to help him on other matters and have on several occasions called the committee together to report out bills for him. I regret the position that I am in, but it is the result of conscientious study of the testimony and because I believe his bill does not accomplish anything at all. It merely abolishes a monument created by Executive order of the President, and does not solve the problem. I believe that with a little more time we can work out some solution of this and perhaps establish a cattle driveway, where the cattle can be driven from one section to another, and whereby we may protect the rights of those having grazing permits. Also Teton County will be reimbursed for any land taken, that Mr. Rockefeller conveyed to the United States. Bear in mind that at the present time the greater portion of the land that we are talking about is already owned by the Government. The Government owns 221,610 acres involved, and 170,306 of those acres are already owned by the Federal Government. Thirty-two thousand one hundred and seventeen acres were bought by John D. Rockefeller for the purpose of conveying them to the United States Government. Still some people talk about the President doing this thing. Why, Mr. Speaker, this was initiated back in the time of President Hoover. The then Secretary of the Interior, Dr. Ray Lyman Wilbur, states this in a telegram sent to the Director of National Parks:

CHICAGO, ILL.

Hon. J. HARDIN PETERSON,
House of Representatives:

Following telegram just received from former Secretary of Interior Ray Lyman Wilbur:

"While Secretary of the Interior, I visited Jackson Hole. Made careful preview of natural resources, had study made of the elk herd, and did what I could to have this area preserved for the type of land administration practiced by the National Park Service. Considerable public land was involved but only through the public-spirited action of Mr. Rockefeller and his purchase of private land in the area did it seem possible to hold northern half of Jackson Hole for the American people. This is one of the noblest areas in America. I have always felt that having this land held for the National Park Service could be worked out without injustice to people of the immediate neighborhood and to the great advantage of the State of Wyoming as well as the United States. In many of these park areas, it has been necessary for local people to make what seemed to be sacrifices for the future benefit of the whole Nation, but I believe in the long run there will be greater financial local advantage in a tourist crop than in a cattle crop. The Presidential proclamation has been used by 7 different Presidents in some 82 other cases, always with provision for protection of private and States' rights. It seems to me that adjustments of all interests in the area could be easily arranged under the Presidential proclamation. I would consider it most unfortunate if this proclamation is set aside.—Ray Lyman Wilbur."

NEWTON B. DRURY,
Director, National Park Service.

So, it was not President Roosevelt, but it was in the time of President Hoover that this was started. Reference has been made to the Antiquities Act. I have called attention repeatedly to the problem of public lands, and introduced a resolution to make a study, showing the ownership, and made a report on this. There is no one more jealous of the rights of the States than I am. I want to call attention to the fact that under this Antiquities Act, first used by President Theodore Roosevelt, many monuments involving 10 times the area of this one were created in the preceding administrations. The fact is that several previous administrations have embodied more acres of land within single monuments than has been created in this administration in 11 monuments.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, I want to take these few minutes for one purpose only, and that is to point out the danger to those of us who live in the far western area where a high percentage of our States are already in Govern-

ment hands, of a continuation of this practice of disregarding the Antiquities Act of 1906.

We have hundreds of thousands of acres in the State of Oregon they might take at any moment without any warning to anybody and place in a national monument to the detriment not only of the economy of our State but actually the economy of the Nation at large.

Let me read a few words of this Antiquities Act:

> That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with proper care and management of the objects to be protected.

Mr. Speaker, so far as the Public Lands Committee, of which I am a member, was able to find out, there are no objects to be protected, although the monument created consists of 221,000 acres.

The SPEAKER. The time of the gentleman has expired.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. PETERSON of Florida) there were—ayes 103, nays 41.

So the resolution was agreed to.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES -EXTENSION OF PERIOD OF PHILIPPINE INSURRECTION

The SPEAKER laid before the House the following veto message from the President of the United States, which was read and, with accompanying papers, referred to the Committee on Invalid Pensions and ordered to be printed:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 4099, Seventy-eighth Congress, "An act to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913."

The effect of the measure is to confer a wartime status on persons who served in the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao and the islands of Samar and Leyte between July 5, 1902 and December 31, 1913, and thus afford to such persons and their dependents monetary and other benefits on a parity with persons who served in the Spanish-American War, Boxer Rebellion or the Philippine Insurrection prior to July 5, 1902.

The ending date of the Philippine Insurrection was established by proclamation of the President dated July 4, 1902, except in territory occupied by the Moro tribes, and the War Department regards July 15, 1903, as the date of termination of the Philippine Insurrection in the Moro Province which is the date on which Act No. 787 of the Philippine Commission, approved June 1, 1903, took effect, and has held that such military operations as occurred subsequent to the establishment of civil government in the Moro Province on July 15, 1903 should not be regarded as a continuation of the insurrection.

Pensions at wartime rates are now provided for veterans and the dependents of veterans who suffered disability or death as a direct result of armed conflict or under extra-hazardous conditions in the areas described in the bill during the period July 16, 1903 to December 31, 1913 and medical treatment and hospital or domiciliary care is also provided for veterans who so served, discharged for disability incurred in line of duty, or who are in receipt of pension for service-connected disability. Service pensions would be the principal monetary benefits afforded by the bill and such benefits, consistently, have been confined to war service.

The bill would extend the Philippine Insurrection closing date about 10½ years, from July 5, 1902 to December 31, 1913, thus according recognition to service performed throughout this period as wartime service upon the basis of intermittent military operations or campaigns in the Moro Province and other parts of the Philippine Archipelago against forces hostile to the organized government, which engagements are comparable to other campaigns or expeditions in which the military or naval forces have participated in times of peace.

This measure would grant special benefits to a particular group and exclude other members of the Regular Military and Naval Establishments who similarly have been called upon, on numerous occasions, to engage in similar military operations in times of peace. I believe that it is sound in principle to abide by the official beginning and ending dates of wars in providing benefits, heretofore described, and feel that extension of the period of the Philippine Insurrection, beyond that established in conformity with recognized legal precedents, would constitute sufficient deviation from that principle to invite further exceptions for additional groups with service in military occupations, expeditions or campaigns other than during a period of war.

FRANKLIN D. ROOSEVELT.

DECEMBER 8, 1944.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on Invalid Pensions and ordered to be printed.

There was no objection.

LEGISLATIVE PROGRAM

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I do this for the purpose of asking the majority leader what the program for the rest of this week and next week will be, so far as he knows.

Mr. McCORMACK. The Jackson Hole bill will dispose of the legislative business for this week. I do not know whether the bill will be disposed of today or not. If the Members want to stay here on Friday afternoon and have 2 hours of general debate, and then have consideration under the 5-minute rule, it is perfectly all right with me. But assuming the bill is not disposed of today, of course, it will come up on Monday as unfinished business, following the call of the District Calendar. Four bills are to be called up that there is no controversy over, as I understand. Then there will be the continuation of the call of the Consent Calendar. Thereafter the dental bill will be the next order of business; then S. 1919, a bill to expedite the payment of lands, which was on the program for this week, but was not reached; then H. R. 3690, a bill to safeguard the admission of evidence. That was also on the program for this week, but was not reached. Next in order is the bill to increase the salary of postal employees, and then the Monroney-Maloney joint resolution which the Committee on Rules reported out within the past few days. Conference reports as they come in will be taken up as soon as possible after they are reported to the House.

Mr. MICHENER. Is it the purpose of the leadership then to dispose of the bills named before there is a recess?

Mr. McCORMACK. I do not think there is any chance of a recess before these bills are reached and acted upon.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I understood the gentleman from Massachusetts to announce last week that when the rule is granted on the Palestine resolution, it also would be disposed of before the recess. May I inquire of the gentleman as a member of the Committee on Rules whether or not such a rule has been granted?

Mr. McCORMACK. No; such a rule has not been granted. The Committee on Rules has been in session several times, as the gentleman knows. It met this morning and adjourned to meet at the call of the chairman.

The general understanding was that there would be a meeting of the Committee on Rules called by the chairman sometime today. There has been no call, but, as you know, the Committee on Rules under the rules of the House is on call all the time. We get notice as we did yesterday on the increased clerk hire matter to come up forthwith, and we just have to be waiting. Now we are waiting for a call on the bill in which the gentleman is interested.

The SPEAKER. The time of the gentleman from Michigan has expired.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. PETERSON of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation Numbered 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of bill H. R. 2241, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. PETERSON of Florida. Mr. Chairman, I yield 12 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, aside from the question of the injustice done to those people who have made their homes on these thousands of acres of privately owned land in the territory sought to be taken in this manner for 50 or more years, there is a deeper and more fundamental question involved. I think it goes beyond any human interest. It is the question of whether by indirection the executive department of the United States Government can bypass Congress and accomplish by indirection what is prohibited directly. The creation of national parks is entirely within the jurisdiction of Congress. They can be created or added to only through congressional action. Realizing that this could not be done in this fashion because attempts had been made in the past to accomplish this very purpose, this circuitous and indirect route was taken to bring about the confiscation of homes and the taking of lands that had been used for farming and grazing purposes and all that sort of thing, by Executive order, for the past 50 years.

It is interesting to note briefly a little of the debate that took place when the Antiquities Act was passed. I quote from the debate as follows. Mr. Stephens, of Texas, was apprehensive as to the abuse of this law. He asked the question:

Mr. STEPHENS, of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. Lacey, who had the bill in charge, replied:

Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS, of Texas. Would it be anything like the forest reserve bill by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different; it is to preserve these old objects of special interest and the Indian remains in the pueblos in the Southwest whilst the other reserves the forests and the water courses.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield briefly.

Mr. CASE. The gentleman is referring to the legislative debate on the Antiquities Act?

Mr. O'CONNOR. Exactly; that is, the debate on the act.

Mr. CASE. And the debate clearly gives the intent of Congress in the creation of national monuments?

Mr. O'CONNOR. Exactly.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield briefly.

Mr. BREHM. From what the gentleman has quoted there, that does not justify this being a national monument.

Mr. O'CONNOR. There is not any question about it. Nobody knew this better than the people who are trying to circumvent the Congress. The acquisition of this land by Mr. Rockefeller through the Snake River Corporation or whatever the name of the corporation was, was done in a sort of conniving way. I have not got the time to go into it. But the purpose was eventually made known when the land was purchased by him and then offered to the United States Government in the event that this territory was acquired by act of Congress or in the manner that it was. That was the bait which was thrown out to the Congress. They were afraid to put it up to the Congress because Congress, they knew, would not take the homes away from these people and farmers who had lived in those homes for over a half of a century. Why, my friends, as lawyers, there is not a lawyer who can vote against this bill on the theory that this land was acquired in a legal way. I want to clear the skirts of the President of the United States. Knowing him as I do, I know he never set eyes upon that territory and I doubt very much if Mr. Ickes ever did. They have taken the word of somebody else and they have been imposed upon, if I should not use the word "deceived." Do you suppose the President of the United States, who has sent our boys to Europe to fight and die to defend the freedom and the homes of our people, would, by Executive order, remove these people from Wyoming, take them away from their homes and send them elsewhere? Do you suppose he would do it if he knew the facts? Not on your life.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield briefly.

Mr. MAY. If I understand the legislation under which the President acted, it provides that if there is some object of antiquity or of national historic interest, he can take enough land around it to protect it?

Mr. O'CONNOR. Yes, that was the purpose of it.

Mr. MAY. Now if he can take 260,000 acres out there around some object, could he not, if he wanted to, take in Daniel Boone's tomb, down in Kentucky, and talk half of Kentucky in order to protect that tomb?

Mr. O'CONNOR. I want to state to the gentleman that he is right. The gentleman from Kentucky is just as sound as he always is. I want to tell you that he could take in the whole State of Montana if he wanted to, to establish a national monument surrounding the monument where Custer lost his life. There is no limit that he could go. But our present President, if he could see all the territories, I would not fear him.

Now, let us see about this. I have here some newspaper clippings and I want you to look at them. Here is a boy whose picture appears in the paper and it reads, "Breaks all records. Eight decorations, the highest number ever awarded any one man in this war." Where is that boy? He is over in Europe. Where was that boy's home when he left? It was in the very territory that was taken by Executive order. That is where it was. I want you to ask yourselves the question, "What will that boy think when he comes back home and finds that while he was fighting for the freedom of homes in Europe and for the freedom of America, he lost his own home in Wyoming, without a hearing, without a word of notice? May he not conclude that he was fighting for freedom in the wrong place? Might he not conclude that he had better remained home and fought for the freedom of his own home? Bring that home to you. This boy was raised on that property. He made his home there. His mother and father liver there as well as numbers of others who lived on that land that was taken. Do you suppose the President of the United States ever knew that? Here is another picture in another paper. "Army officers work in relays decorating hero from Wyoming." Here he is again. I am not saying that because he lived in that particular locality, he was a hero, but I am saying he has been a hero and I am saying that we owe it to that boy, when he comes back home, that as far as legislative action can go, we will undo what has been done to dispossess him, his father and mother, his sisters and brothers from that home. We owe it to that boy.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. CASE. I might call to the attention of the Committee that the Congress passed the Soldiers and Sailors' Relief Act under which it was declared to be the intent of Congress that no soldier might be dispossessed of his home for nonpayment of a payment on his mortgage or the nonpayment of rent, during his absence under the selective service.

Mr. O'CONNOR. The gentleman is right as he usually is. Now, I want to call attention to one other thing.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. O'CONNOR. I want to call attention to this: I went over this ground. I went over every acre of it. There is not a single thing there of historic value or of scientific interest to preserve. Not a thing. They have an old cabin there which is supposed to have been shot full of holes. They have built a fence around it and they have put a new roof on it and tried to preserve it to make it of scientific interest. What is the history of it? The history of it is that a horse thief was finally cornered there and eventually shot. If we are going to take out 220,000 acres for every spot where a

horse thief has been shot, there will not be any land left in Montana, Wyoming, or any other Western State for people to make a living on.

In the early days in Wyoming and Montana, when mining was the principal industry, a horse for riding purposes and mules for packing purposes were the means of transportation. Anyone who was devilish enough to try to deprive one of those pioneers—who braved every hazard known to human beings—of his means of transportation—namely, the horse—as a rule met his end at the end of a rope thrown over a tree or wherever he could be cornered. My own great State, which I am so proud to represent in this august body, was the scene of many and many such endings, hangings, and shootings of such vandals and outlaws of the vile character who would take from the man his means of transportation because in the end it meant his death. It meant the death of that great character who helped to build up the West.

There is a statue in a conspicuous place adorning the State capitol at Helena, Mont., of the likeness of the immortal Colonel Sanders, who led the way and headed the vigilante committee in Montana to prosecute and bring to bay these murderers and racketeers of the means of transportation—namely, the horse—and take from those people the results of their labor in the form of valuable minerals. Hats off to these great men who have led the way of law and order, but remember we cannot set apart a State or part of a State or homes of individuals to memorialize the carrying out of the human laws that rest on the principle of law, order, and right. We must proceed within reason.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield myself 1 minute for the purpose of clearing up the situation with reference to the taking away of homes. There has been definite assurance that there is no intention of taking away any homes. This deals with Federal-ownership land and also with land that John D. Rockefeller acquired for the purpose of conveying to the Federal Government, and in the policies announced at the time the proclamation was issued, it was definitely stated that owners of private holdings in national parks and national monuments established since the beginning of the Federal park system have been given protection under the law and under departmental policies. The Jackson Hole National Monument will be administered under the same policies and all private owners given full protection. The use of summer homes, constructed under Forest Service permits also will be continued. In fact, all permits issued by the Forest Service or other Federal agencies for use of lands now within the national monument will be honored by the National Park Service during the lifetime of the present holders and the members of their immediate families. It might be stated that there is still private ownership of land in the Shenandoah Park, and in the Teton National Park, and also in the Grand Canyon.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. Yes.

Mr. COCHRAN. Does not the record show that there are 231 families living in there right now?

Mr. PETERSON of Florida. Approximately that. I think two-hundred-and-some-odd families. There is no intention to disturb those families. There are families living in the Grand Teton Park that have never been disturbed and who did not know that they were living in a park.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. Yes.

Mr. CASE. Will the gentleman contend that when a national monument is once established, the National Park Service does not try to eliminate all private ownership within its boundaries?

Mr. PETERSON of Florida. They do in many instances, but they try to avoid the working of any hardships, and they work along with the people.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. LECOMPTE. Mr. Chairman, I yield myself 3 minutes.

A great deal has been said today about the Antiquities bill. Major Lacey has been misquoted as well as quoted in connection with it. Major Lacey represented Iowa in this House for 16 years. He is the author of the Antiquities bill and of more legislation in the interest of conservation than any other man who has ever represented the State of Iowa in Congress. Everyone who knows anything about wildlife, conservation and the preservation of beautiful and historic spots is familiar with the name and record of Major Lacey. I do not know what Major Lacey had in mind in the Antiquities Act, but I think he had in mind that any President would be permitted under that act to set aside what is to be called a national monument in order to preserve it for posterity. I think that he had in mind the preservation of just such a place as Jackson Hole and the Grand Teton.

While I agree with the gentleman from Wyoming for whom I have the highest admiration and greatest affection, I think too much territory has been taken in. But it is a fact that a considerable part of the land that comprises this monument is already Government property, and that considerably more of it belongs to Rockefeller interests, and it is to be given to the Government. I think that in the final analysis, and when it is finally worked out, the monument in connection with the Jackson Hole country and the Yellowstone National Park will be an object of beauty and interest. It will be a place that we can take pride in, and people will be glad indeed that we have the Jackson Hole Monument. My feeling is that this bill, while it has some merit, yet under it we ought not to set up a precedent that under the Antiquities Act the President cannot establish monuments by proclamation. Some folks have said here that the President cannot establish a monument except by proclamation. That is what the Antiquities Act does.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LECOMPTE. Mr. Chairman, I yield myself 1 additional minute.

Mr. WHITE. Will the gentleman yield?

Mr. LECOMPTE. I yield to the gentleman from Idaho.

Mr. WHITE. Does not the gentleman think the Congress is the best authority to establish these monuments rather than an Executive or the Secretary of the Interior?

Mr. LECOMPTE. The Congress may establish national parks, but a monument is something different from a national park.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, the Select Committee on Fish and Wildlife Conservation of which I am a member had quite a hearing on this subject. The author of this bill was given an opportunity to be heard and representatives of the National Park Service also appeared before the committee. As I recall it, the committee unanimously voted to oppose this bill after hearing both sides of the question.

Mr. BREHM. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio.

Mr. BREHM. Mr. Chairman, I would like to inform the gentleman that I am also a member of that select committee and I did not oppose the bill.

Mr. COCHRAN. Was the gentleman present at that meeting?

Mr. BREHM. I certainly was. I am in favor of this bill.

Mr. COCHRAN. I stand corrected then as far as the gentleman is concerned.

Since this act was passed in 1906, President Theodore Roosevelt created 18 national monuments totaling 1,534,329 acres; President Taft created 10 national monuments totaling 2,300 acres; President Wilson in 8 years created 13 national monuments totaling 1,121,996 acres; President Harding in 2 years created 8 national monuments totaling 8,937 acres; President Coolidge in 6 years created 13 national monuments totaling 1,243,063 acres; President Hoover in 4 years created 9 national monuments totaling 2,147,640 acres, and President Franklin D. Roosevelt in 11 years has created 11 national monuments, totaling 1,494,767 acres.

We are led to believe by the statement of the gentleman from Montana that this monument is in a class by itself, but you have seven or eight monuments larger in acreage than this one.

These are Grand Canyon National Monument in Arizona, Mount Olympus National Monument in Washington, Katnai National Monument in Alaska, Glacier Bay National Monument in Alaska, Death Valley National Monument in California, Joshua Tree National Monument in California, and Organ Pipe

Cactus National Monument in Arizona, each and every one of them larger than this one.

Mr. Chairman, this act has been passed upon by the Supreme Court of the United States. This is the first time that an effort has ever been made to set aside an Executive order creating a national monument.

This is not a one-sided affair out there. I received a telegram this morning from the local Izaak Walton League protesting against the passage of this bill. I received another telegram from the national organization of the Izaak Walton League protesting the passage of this bill.

The other day the National Park Service was before our committee and they discussed the various monuments and parks. I recall when a representative of the Park Service spoke about Jackson Hole he said they were cutting down that elk herd out there. Why? Because of the increase in the number of cattle that were coming in to graze. Now, rather than keeping the cattle out, they are reducing the size of the elk herd.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. COCHRAN. Nobody is denied the right to graze their cattle in there. Nobody is denied the right to ride their cattle over Government land to get into private lands.

One of the features of this bill is that a private citizen, Mr. Rockefeller, went out there and looked over the place and was so impressed with it and thought it ought to be preserved for future generations, that he bought 33,559 acres. You have remaining private lands totalling 14,937 acres, State school lands, totaling 1,367 acres, and Federal land and water comprising 173,064 acres.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Wyoming.

Mr. BARRETT. In the hearings on this bill on page 81 Mr. MOTT, the gentleman from Oregon, asked Mr. Drury, Director of the Park Service, this question:

> Do you know of any instance where a national monument was created against the will of the people of the State in which it was created?
>
> Mr. DRURY. No.

Then he asked Mr. Drury this question:

> Mr. MOTT. Did the National Park Service try that long to get them through the Congress by law and, failing in that effort, had them created by Executive orders?
>
> Mr. DRURY. I should like to have Mr. Demaray answer that question, if he may.
>
> Mr. MOTT. All right.
>
> Mr. DEMARAY. I do not recall any such a case offhand.

Mr. COCHRAN. May I say to the gentleman that when he read Mr. Drury's answer it applied to Jackson Hole. The Government took over Jackson Hole. It was not against the wishes of the people. The people asked them to make it a part of our national-park system. When Mr. Drury said that they do not take this land away from the people, he spoke the truth, and that applies to Jackson Hole. It was not taken away from them. The record shows that the people there wanted this property taken over by the Government.

Mr. BARRETT. If the gentleman will yield, may I say to him that the Legislature of Wyoming in 1919 unanimously adopted a resolution against this park extension.

Mr. COCHRAN. I think you should remember that you are not repealing the act under which this property was taken over. You are, for the first time, endeavoring to set aside an act of the President of the United States under an act of Congress; an act that the Congress passed.

Mr. PETERSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. PETERSON of Georgia. In reply to the inquiry whether this land is being taken over against the wishes of the owners, is it not a matter of record that the owners of over 30,000 of the 49,000 acres that are in private ownership within this area are requesting that this land be taken over, and that quite a number of individuals living in this area have petitioned that it be taken over?

Mr. COCHRAN. Certainly it is true. The record shows that.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Chairman, it is difficult for me to understand how this thing ever happened. I have had some dealings with the National Park Service. There is one national park, a national memorial reserve, and three national monuments in my congressional district. I have had no particular difficulty in dealing with the Park Service and working out administrative problems as they have arisen. But this situation does exist and we have to face it.

I have spent some time in the State of Wyoming. I know the people of Wyoming, generally speaking, are very much opposed to the creation of this monument, and particularly they are incensed because it was created in this fashion after the people of Wyoming through the legislature, in resolutions of various kinds, had expressed themselves against it and after the Congress on two different occasions had refused to pass legislation setting up such a monument.

The fact is that a large part of the area is a national forest. To that extent it is in the control of the United States, but on all of the national forest lands cattle can be grazed under grazing permits. Teton County, in which this land is located, naturally collects a personal-property tax on the cattle to whatever extent is applicable there. In addition, they get a great deal of tax revenue from the privately owned land and from the personal property on the privately owned land.

It has been stated that had this situation never been precipitated by the arbitrary action of the Executive order the thing might have been worked out in an amicable fashion. There was some suggestion that the people of Teton County or the county organization there would have considered a proposal from the Federal Government to continue grazing in the forest lands and to accept a payment in lieu of taxes for a period of about 10 years on the valuations of the Rockefeller-owned land, in order to permit the settlers to adjust their economy from a livestock economy to a tourist economy.

Why that course of action was not followed I certainly do not know. But the fact remains that this is a red-hot flaming issue in the State of Wyoming. Let nobody think that this monument was created as the will of the people of Wyoming. The State's Governor is a Democrat, and Governor Hunt, in Denver just a couple of weeks ago, down there for a meeting of the National Reclamation Association, said:

> This monument will never be administered as long as Senator O'MAHONEY stays in the Senate, because he will continue to do what he did on the last Interior appropriation bill, put on a rider to prevent any funds being used to administer it as a national monument.

There is the Democratic Governor of the State of Wyoming expressing that feeling on the part of the people of Wyoming. Do you think he would say that if he did not feel that that represented the thought of the people of Wyoming? Of course not. So that you have an issue here that is not going to be settled by continuing this as a national monument.

The sensible thing to do now would seem to be to express the thought of Congress, of the House at least, by passing this bill abolishing the monument, as a protest against the manner in which it was established in defiance of State and congressional attitudes. It is not in operation now because money is not available for administration under the rider to which I have referred. Then let the thing be worked out in some sensible fashion between the people of the area and the National Park Service. The only way to accomplish that now is to pass this bill expressing the feeling of the House so that negotiations can be undertaken.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Am I correct in believing that in a national monument the Government can exclude the grazing of cattle and also the passing through the monument of livestock?

Mr. CASE. It is perfectly true that in a national monument it is not customary to permit grazing, and the Government has the power to exclude it altogether. There is a national monument in my district of something over 200,000 acres, and a small amount of grazing is permitted by tolerance, some by trespass, but it is not intended. I may say in that connection that this monument in my district is one of the monuments that have been created by Executive order since Mr. Roosevelt has been in the White House, but it was in response to an act passed by the Congress and within the limitations of the act passed by the Congress and in accord with expressions of

sentiment by the people of South Dakota and the State legislature. So that this something over 1,000,000 acres in national monuments that Mr. Roosevelt has heretofore established, as far as I know, has been in response to an expression of the people of the States concerned and legislative acts of the Congress.

Why a different kind of policy was ever adopted as to Jackson Hole is beyond me. It certainly has not helped the National Park Service, it has not helped the National Park Service in any part of the country, and I hope that the matter may be thrown open to adjustment and amicable settlement by House passage of the Barrett bill.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, this bill is meritorious both from a national and a State standpoint. It is an alarming fact that the Federal Government at this time, owns title to 400,000,000 acres of land, a domain equivalent to the combined areas of 21 of the 26 States, east of the Mississippi River. With reference to the rights of the people of the State of Wyoming and the Monument Act, under which the President by proclamation declared this a national monument, before that can be done within the law under this act, there must be a historic landmark or some historic or prehistoric structure or other object of historic or scientific interest sought to be preserved.

So far the record shows the only structure there of a historic interest is a cabin where it is said a horse thief was shot to death, according to the code of the old West. And if we are to look for a natural monument, we see only a broad expanse of sagebrush. Now, since when did sagebrush, the home of the untamed jack rabbit, become a national monument? If you get right down to brass tacks, this is what happened here. Wyoming is a State with only 235,000 population. And in this State the Federal Government owns title in fee to 51 percent of all the lands. In addition to these vast holdings, the Federal Government owns the minerals under an area equal to 31 percent of the area of the State. It is not hard to understand why they have only 235,000 people out there. There is just not any place for them to live. Now, the undisputed fact is that this 221,610 acres embraced in the Jackson Hole Monument is used for grazing purposes, and it affords the only means by which the people who raise horses and cattle out there can get their stock to other grazing lands. There are about 16,000 cattle that are grown and grazed there by virtue of these facts.

To those of us who know something about the value of cattle, it certainly can be said that the value of 16,000 white-faced cattle is at least $1,000,000. All that we wear, all that we eat, and all that we use comes out of the ground. There was a time when the memory of man runneth not to the contrary, when you could buy a beefsteak or a lamb chop of recent growth. That time is in the limbo of things forgotten and gone. While it is true that man does not live by bread alone, we must have something to eat. We all love the beauties of nature. We have parks all over the country. We have one down in my country. They are all over the West. In them there are millions of acres. They are virtually everywhere. But you do not have to look at a park to see something that is beautiful. Any sunset anywhere or any sunrise is a thing that will exalt and edify the soul of man. Green fields with cattle, sheep, or horses grazing in them or with growing crops are far more beautiful than the commonplace natural features of the area in question. We are now considering the rights, the desires of the people of the State of Wyoming. The Governor, the legislature, the two Senators, and its one Representative, are a unit in their opposition to this effort on the part of Federal bureaucrats to trample upon and disregard their interests. For what purpose do we maintain Government anyhow? It is for the happiness and well-being of the people who live in any individual State. It has been said if this universe should unite to crush a man, the man crushed would still be greater than the universe because he would know that he is crushed. As a Representative from my State I cannot look with indifference on this unlawful trespass against the rights of the people of a sister State. Mr. Chairman, I submit, as a matter of national interest and of State's rights and justice to the people of Wyoming, that this bill should be passed. And I shall vote for it. The time has come and now is when the Congress must say to those who disregard the plain terms and meaning of congressional acts, "Thus far shalt thou go but no farther." Executive decrees and proclamations must not be permitted to nullify acts of Congress and to substitute the arbitrary will of some executive officer for the plain and express enactments of the people's representatives.

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, the gentleman from South Dakota [Mr. CASE] a moment ago implied that this problem confronting us is not going to be solved by a continuation of this national monument. I would like to say also that the problem involved here is not going to be solved by abolishing the Jackson Hole National Monument. It is going to take some different kind of action than the bill which we have before us today. I am sorry this bill is before us in the closing hours of this session, as it is deeply involved.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. WHITE. As between the establishment of large national parks and the preservation of these antiquities, cave dwellings, and things like that, does not the gentleman think there should be a line drawn very distinctly, more so than there is now?

Mr. MURDOCK. Yes; I think so. Let me throw some light on the real problem before us. However, before I go to that I want to say this: Here is the marvelous West, which most of us speaking here today represent portions of. There is a great variety and complexity of interests in that West. In a sense it belongs to all Americans. There is no man in this House who has had more quarrels with the Secretary of the Interior about various phases of western management policy than I, whether it be mining or parks and monuments. I have frequently called his attention to the fact that the National Park Service has been overambitious. I think they have reached out and tried to grab and fence the earth and have taken in too much territory. I think they probably have in this case of the Jackson Hole Monument. I can name and I did name, as you will recall, before the Public Lands Committee, instances of that overzeal in Arizona and I said just exactly that to Secretary Ickes. I can name several monuments in the State of Arizona where too much land was included. Correcting that practice is one problem, but it is not properly corrected by this proposal.

Before offering a remedy I want to say we have in the West the most marvelous scenery, which ought to be preserved, some of it in primitive condition, for future generations. We also have interesting wildlife and reminders of a thrilling history which must not be destroyed. In my State we regard the most profitable crop the tourist crop. Who is spending money in Arizona? In the West? The rich people of the East who can afford to travel and who go there to see our marvelous parks and monuments and places of historic interest. They should see America first—Europe cannot surpass it. That is one of the chief sources of local income. These parks and monuments are supported by the Government of the United States and they help to contribute to the wealth and well-being of those States like my own and Wyoming. I favor such a policy and want many more—rich and poor, those now living and more yet unborn—to be able to see our beautiful West.

There is a conflict of interest between the inhabitants of the West, the cattlemen, livestock owners, mining men, lumbermen, and those who want to use the resources of the West on the one side and the American people on the other. Title to the land remains in the Government of the United States. Arizona is confronted with that more than any other State except Nevada. We must consider and protect all proper interests. I want the greatest possible use made of every bit of the public domain, the national forests, and the Indian reservations, but I also want that property which belongs to the United States to be the most profitable to all the people of the United States, those living and those yet to come. I wish that millions of you living back in these teeming eastern States could come out and see our mountains, the majestic beauties of nature, where the Great Architect of the Universe has lavished His greatest skill in portraying the beauties of our landscape.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Not now. I want to make this point: Other Presidents have established national monuments by Executive orders besides this one, and I think they have done so with a too lavish hand. I am anxious to curb an extravagant practice in that respect. I found they were trying to establish a national monument in my State, in Sycamore Canyon, and do it without any knowledge on the part of any Arizona Congressman. We called the Secretary's hand on that, and it was stopped. So, you see. I can sympathize with my friend the gentleman from Wyoming [Mr. BARRETT]. But, as I see it, the thing to do is not to pass this bill and slap the President of the United States squarely in the face because of this alleged offense when other Presidents have committed similar offenses in greater or less degree in at least 80 other instances. Why take a swing at this President?

A generation ago, when national forests were first established in this country, they also were established by Executive order. I remember that Theodore Roosevelt and Gifford Pinchot wanted to establish national forests all over the West, and did so very lavishly. I can show you national forests in the West where on large portions of them there is not a shrub as big as my wrist. They included vast areas in these early national forests. I think on the whole the establishing of national forests was a good idea, but they overdid it in some respects and the power was taken away from them. Today national forests can be established only by act of Congress. I approve of that. I think the same thing ought to be done with respect to national monuments.

A Senator from my State, a native westerner and friend of the Interior Department, introduced a rider on an appropriation bill a few months ago, which would have prohibited the establishment of national monuments except by act of Congress. When that bill came over here that rider was taken out on a point of order. That attempt was made because the National Park Service has been overzealous in creating vast national monuments, and including more land than they should. I think we ought to pass a law providing that no more national monuments be established except by act of Congress. I am enthusiastically in favor of them, within reason, with due safeguarding of the mining and livestock interests all over the country. This bill is not a cure for the evils that I think need correcting. For that reason I favor different legislation.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Yes.

Mr. WHITE. Did they not try to establish the Organ Pipe Cactus National Monument in Arizona, and did not the gentleman have to come to Congress before he could get anything done with it? He could not get anything done in the Department.

Mr. MURDOCK. Yes; that change took an act of Congress, and I am glad to say it was done. We did not ask that that monument be established in the first place, nor did I ask that it be abolished. I ask reasonable treatment to be accorded the Organ Pipe Cactus Monument.

Mr. WHITE. Why did not you go to the Department to get them to do that.

Mr. MURDOCK. The head of the Park Service came to my office at the time of our last hearing and I said to him, "I think you have been overambitious in creating these monuments." He said that they intended to be conservative, and I told him that if they were not more conservative, we were going to take the power out of their hands by act of Congress. That is one thing looking toward a cure. I think we ought to do something like that in the proposed rider which was put on the appropriation bill recently and which was ruled out on a point of order. I favor an act of Congress that would prohibit the establishment of national monuments by Executive order.

Since I became a Member of Congress we have reduced by law the Grand Canyon National Monument, but we did not abolish it altogether. That monument in Arizona adjoins the Grand Canyon National Park, and it seemed to contain more land than was necessary, and thus deprived inhabitants in that region of uses unnecessarily. Thus by law we changed the boundaries of that monument as we changed the uses of the Organ Pipe Cactus Monument. We did not abolish either of them.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I do not think the President has exceeded his powers under the Antiquities Act though I feel rather certain it is unfortunate these powers were used in the manner in which they were because it is fairly clear that the Secretary of the Interior has used the power given to the Executive Department in the Antiquities Act to sidestep the expressed will of the Congress. It is for that reason, also for the reason I am convinced that the people of Wyoming of both parties, and regardless of economic position or political affiliation, are opposed to this monument, that I am for this bill.

The chairman of the committee, the gentleman from Florida [Mr. PETERSON], suggests he has a bill which he will introduce, giving to the State of Wyoming or to the county involved some relief from the loss in taxes which it will experience or which has been experienced by this particular section being designated a national monument, also giving to the people of that area the right of passage for their cattle to grazing lands beyond the particular section involved, as well as the right of pasturage in the section itself; but the House has no assurance that that act will be adopted.

I feel it is better to pass the act which is before the committee now; then if the Interior Department wants to have this made a portion of a national park, it may come before the Congress in an orderly fashion and incorporate into a bill for that purpose the provisions that will give relief to the people of this section, one of which, of course, would be tax relief, another the right of grazing, and another the right of passage of their cattle through this particular area. If that is done, the people of Wyoming cannot say that they have expressed themselves in Congress in one fashion, and the executive department has used a subterfuge to circumvent their will.

Mr. BREHM. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. BREHM. Returning to a question which I asked some time ago in reference to the log cabin in which Jesse James is supposed to have taken refuge, has the gentleman heard anyone name any other memorial which might be sufficient to constitute this land as a national monument?

Mr. WRIGHT. No; I have not. I am frank to say to the gentleman. However, I do not know much about this section. It is probably presumptuous of me to speak about it. I am directing myself entirely to the legislative procedure. I feel after Congress has expressed itself and refused to make this a portion of a national park, that for the Interior Department, in spite of the will of the Congress, to make this a national monument does not go very well with the Congress or with the people of the State affected.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARRETT. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I call the attention of the Members to the fact that when I came to the Congress there were six or seven Members in this body who were the sole Representatives of their States representing one-seventh of the area and one-third of the assessed wealth of these United States; and while that number has been reduced numerically so far as quantity is concerned, I think I may say because I am a remnant of the originals it has not been reduced so far as quality of the representation of the several States is concerned.

You folks do not understand what we folks who are the sole Representatives at Large from these States have to contend with as against you who have associates here who will get up and talk for you and help you out with respect to any propositions that you have to offer.

I am speaking today because I believe what Wyoming asks for through its sole Representative here is a matter which should be given your very careful consideration and should have your approval and because the people of the State of Wyoming through their Senators and their Member of the House, their Governor and their legislature, have asked

that this bill be passed. Therefore, I am for it.

Has representative government ceased to exist? Are we living under a Government of one man, or the law?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho, also.

Mr. WHITE. Mr. Chairman, I hope the Members will pay close attention to what I have to say because I have lived in the West for 54 years. I have lived out there, right next to this situation, and I am thoroughly familiar with what is being presented here today.

I call your attention first to the fact that when most of you gentlemen were born you had certain birthrights, inviolate birthrights, certain birthrights that the people in Europe never did enjoy. In the first place, you had the right to go out on the unappropriated public domain and take a homestead. Many have taken these homesteads, settled there, and built a home there, just as thousands of people did throughout the Central States and the West in building up new districts that gave us our cities and communities.

If you went on to some unappropriated public land and found indications of ore, you had the right to stake out a mining claim.

We had some very valuable birthrights, but you and I, through the action of this Congress, have seen one after the other of those birthrights stripped from you until today the Secretary of the Interior is bound and determined to close the last opportunity of the citizens of this country by removing the right to go out on the land where minerals may exist and locate a mining claim. This country that you see on this map here is practically all in Government ownership. The bulk of it is in national forest. Just to the north lies the great Yellowstone National Park. No citizen of these United States can get into the Yellowstone National Park unless he pays an admission fee. I had to pay $3 for the privilege of going through the park, even though I was a Member of Congress. This thing is a plan to create among bureaucrats—not custodians of the land, for that is owned by the people and is directed by the policies of the Congress—but is a plan to create a bureaucratic owner, a bureaucratic proprietor. If you go on this land, you go with their permission and their tolerance, and if you do not have that permission and tolerance, you stay off.

May I tell you of a little incident that happened to me going to the Democratic State convention in my own State? I left home with my wife, drove down the public highway, and I came to the town of Cascade where I had to follow a forest road across the national forest area to go over to the town of Hailey where the convention was convened. I drove down the road and I came to a man in a tent. He stepped in front of me and he said, "You cannot enter here without a permit." It was a good road, built by public money, through public land, but I could not go across the national forest without a permit. I said, "All right." I drove back 5 miles to the forest headquarters and I got a permit. On that permit it said that I must proceed immediately across the land, I could not stop to fish or camp or do anything, but I must proceed on my way with their permission and their tolerance. It is high time that this Congress, representing the people of these United States, who after all are the proprietors and owners of this land, formulate a policy of government, to exercise a right given them under the Constitution, and control this land, and let these bureaucrats know that they are the servants of the people, as well as custodians, and not proprietors of the land that is in Government ownership.

The question here is simply this, and it was brought out before the Committee on Public Lands. Mr. John D. Rockefeller thought that this would be an ideal plan of letting the game roam around the national park where these farms are now located. It is a question whether this land will be game pasture or whether it will be the homes of the people who produce things that make for a living and have the rights and perform duties of citizenship. If you want to drive them off and turn this area back to the game and create a situation like they had in Kansas and Nebraska years ago of having buffalo pastures, why, kill this bill and we will be on the backward route.

In this area here we have a little bit of an island in public ownership. The balance of all this great area is owned by the Government. The Teton National Forest, on one side and the forest on the other side are handled in large measure as parks are handled. They maintain camping grounds. You go in there with the permission of the forest ranger. He tells you where you can camp. He tells you where you can hunt. He tells you where you can cut your fuel. It is handled just about the same as a park as far as the public is concerned. Cattlemen have grazing permits, and they run their cattle in there by paying a fee. If there is more pasture needed for this wildlife in the Yellowstone National Park, let them set aside a portion of these national forests. All the land is national forest in this area.

The majority leader, the gentleman from Massachusetts [Mr. MCCORMACK] said that this monument contains features of great national interest, of antiquity, and so forth. If you take away from that area the scenery of the Teton National Park, which is already set aside as a park, the land in this national monument would not have any more value than any other piece of sage-brush land. It is simply a flat area that produces cattle and was settled and fenced off for homes and farms. The scenic portion of this country in the Teton Mountains has all been set aside as a park years ago.

The only benefit to be derived from this would be that it would be a vantage point from which to view the mountains. And when it comes to that you have a network of roads there around every section to give access to this area.

Mr. HOLMES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Does not the acquisition of this Jackson Hole area and turning it into a national forest mean that the Federal Government has jurisdiction over 81 percent of the entire State?

Mr. WHITE. It does. My State of Idaho is 72 percent in Federal ownership.

Mr. HOLMES of Massachusetts. What is to prevent the same procedure being applied sometime later, thus taking over the other 19 percent, and then getting rid of the two Senators and the Representative they have here in Congress?

Mr. WHITE. Following it through to a logical conclusion, the gentleman is right.

Mr. HOLMES of Massachusetts. They can take it over.

Mr. WHITE. The control over public lands is placed by the Constitution in the people themselves, and they delegate that control to us as their Congress.

Mr. HOLMES of Massachusetts. That is why this bill should be passed, to stop that business.

Mr. WHITE. The Congress should perform the function for which it was established.

This program represents a deal between the Secretary of the Interior and a rich group in this country to provide a game pasture for the game of that section of the country. We know how these Executive orders are signed. They are prepared in the Department of the Interior and sent over and laid before the President, and he signs a whole batch of them. I do not think the President has given it any thought. The act has been committed and the bureaus want to stand by their guns. I think it is up to the Congress to assert its right and exercise its function of control of this public land. Pass this bill, and then if they want to come in here with a program that the Congress will approve, that will be the logical and the lawful way to establish one of these parks.

Mr. PETERSON of Florida. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest, pursuant to House Resolution 567, had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the follow-

ing titles, which were thereupon signed by the Speaker:

H. R. 933. An act for the relief of Conrad H. Clark and Rocco Cellette; and

H. R. 3929. An act for the relief of Katherine Scherer.

ADJOURNMENT

Mr. PETERSON of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.), under its previous order, the House adjourned until Monday, December 11, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2065. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

2066. A letter from the Associate Director, United States Department of the Interior, National Park Service, transmitting copy of quarterly estimate of personnel requirements for the quarter ending March 31, 1945, covering the appropriation "Maintenance, Executive Mansion and Grounds 1945", to the Committee on the Civil Service.

2067. A letter from the Director, Division of Administrative Management, National War Labor Board, transmitting a quarterly estimate of the personnel requirements of the National War Labor Board for the third quarter of the fiscal year 1945; to the Committee on the Civil Service.

2068. A letter from the Administrator, Veterans' Administration, transmitting two copies of a draft of a proposed bill, to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War No. 2, and for other purposes; to the Committee on World War Veterans' Legislation.

2069. A letter from the Administrator, Federal Works Agency, transmitting a draft of a proposed bill, to authorize construction of a film servicing building and vaults; to the Committee on Public Buildings and Grounds.

2070. A letter from the President, United States Civil Service Commission, transmitting a consolidated report and supporting data covering especially meritorious salary increases made by the several Government departments and agencies for the fiscal year ended June 30, 1944; to the Committee on the Civil Service.

2071. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 16, 1944, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Farm Creek, Ill., authorized by the Flood Control Act approved on August 11, 1939 (H. Doc. No. 802); to the Committee on Flood Control and ordered to be printed with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. S. 1962. An act extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; without amendment (Rept. No. 2046). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 673. Resolution for the consideration of H. R. 4715 to increase the compensation of employees in the Postal Service; without amendment (Rept. No. 2047). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5158. A bill to authorize the establishment of the Metropolitan Police Department Band, District of Columbia, and to provide funds therefor; with amendment (Rept. No. 2048). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5448. A bill to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; with amendment (Rept. No. 2049). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY:

H. R. 5603. A bill to provide for the permanent establishment of the Joint Chiefs of Staff and Joint Secretariat; to the Committee on Military Affairs.

By Mr. VINSON of Georgia:

H. R. 5604. A bill to provide for the permanent establishment of the Joint Chiefs of Staff and Joint Secretariat; to the Committee on Military Affairs.

By Mr. REES of Kansas:

H. R. 5605. A bill to amend that portion of the act of June 30, 1906, which relates to the settlement of accounts of deceased officers and enlisted men of the Army, so as to authorize payment up to $3,000 to the widow or legal heirs of any such deceased individual without the appointment of a legal representative of the estate; to the Committee on Military Affairs.

H. R. 5606. A bill to amend that portion of the act of May 27, 1908, which relates to the settlement of accounts of deceased officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and of deceased officers of the Public Health Service, so as to authorize payment up to $3,000 to the widow or legal heirs of any such deceased individual without the appointment of a legal representative of the estate; to the Committee on Naval Affairs.

By Mr. FISH:

H. Res. 674. Resolution of inquiry regarding ultimatum served on Japan November 26, 1941; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky:

H. J. Res. 323. Joint resolution proposing an amendment to the Constitution of the United States relating to the passage of bills after Presidential veto; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the President, Chamber of Deputies of Chile, with regard to their adoption of a resolution to hoist the national flag on the building of this body on the date of the independence of each of the American nations, thus displaying openly the sentiments of fraternity of the people of Chile toward the sister republics; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WICKERSHAM introduced a bill (H. R. 5607) for the relief of Mrs. Celia Ellen Ashcraft, which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6236. By Mr. ROLPH: Resolution of board of directors, San Francisco Chamber of Commerce, regarding Interior Department activities in Alaska; to the Committee on the Public Lands.

6237. Also, resolution of board of directors, San Francisco Chamber of Commerce, endorsing H. R. 4616, the Gerlach bill; to the Committee on Agriculture.

6238. Also, resolution of board of directors, San Francisco Chamber of Commerce, in reference to S. 2090; to the Committee on Mines and Mining.

6239. By the SPEAKER: Petition of the secretary-treasurer, the Queensboro Teachers' Association, New York City, petitioning consideration of their resolution with reference to legislation granting income-tax exemption on pensions, retirement annuities, allowances, and payments paid by the Federal Government, or any State government or any political subdivision, to an employee upon his retirement from service; to the Committee on Ways and Means.

6240. By the SPEAKER: Petition of the chairman, pension committee, Washington Irving High School, New York City, petitioning consideration of their resolution with reference to legislation granting income-tax exemption on pensions, retirement annuities, allowances, and payments paid by the Federal Government, or any State government or any political subdivision, to an employee upon his retirement from service; to the Committee on Ways and Means.

SENATE

MONDAY, DECEMBER 11, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our far-flung battle line, the noise of conflict thunders in our ears; we would not escape it. Make us one in truth with the valiant who in mud and fatigue, yea, in wounds and death, this very day are standing between our loved homes and the war's desolation. Forbid that comfort and safety should cushion us against a complete sharing in spirit and sacrifice of the grim test which is demanding their all.

We pray with tender yearning for American sons everywhere as, with wistful memories amid strange and alien scenes, they sing the familiar carols which frame pictures of the lighted windows of home where dear ones wait.

With grateful hearts we greet the returning ships whose proud prows pushing through the dim leagues homeward